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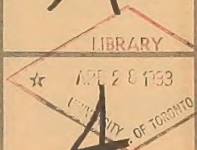
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AN ECONOMIC REPORT ON NORTHERN ONTARIO

Compliments of Ministry of Northern Affairs



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A supplement to Northern Ontario
Business (April 1983); the Financial Times
(April 11, 1983); the Atkinson Progress,
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the Manitoulin Recorder, Le Nord,
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Falls Enterprise, the Kapuskasing
Northern Times, the Manitoulin Express,
the Marathon Mercury, the Temiskaming
Sawyer, the Red Lake District News,
the Sault Ste. Marie Shoppers News,
the Sault Ste. Marie Tribune, the Terrace
Bay Chronicle News, Lakehead Living,

the Nipigon Gazette and Northern Life
(April 6, 1983); the Parry Sound North Star,
the Chapleau Sentinel and the Rainy
River Record (April 7, 1983); the Elliot
Lake Standard, the Timmins Daily Press,
the Sault Star, the North Bay Nugget,
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Northern
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The Hon. Leo Bernier, Minister of Northern Affairs



Leo Bernier

Economic development begins at home. Opportunities for development nine times out of ten arise from looking at local resources in a new light or in terms of new markets.

This is the approach my Ministry fosters in working with northern communities to identify and develop local economic opportunities. We find that each case is different; each community has its own indigenous advantages, special markets, and local entrepreneurial talent.

Recognizing this, I was pleased at this opportunity to join with Northern Ontario

Business in publishing this special Economic Development Supplement. Now nearly three years old and an

established success in the field of business reporting and writing, Northern Ontario Business itself represents an entrepreneurial initiative that was well conceived, diligently developed, and successfully marketed.

I join with publisher Michael Atkins in hoping that regular and new readers of N.O.B. will enjoy this opportunity to read about the north's traditional economic strengths, some new projects, and what the future may hold for this most exciting region of our province.

The Hon. Judy Erola, Minister of State for Mines



Judy Erola

The economic development of Northern Ontario is a priority of the federal government, in fulfilling its mandate to provide jobs through assistance for industrial and business enterprises in the regions of Canada which require special developmental encouragement.

In Northern Ontario it is essential to not only provide the incentives for industrial development and diversification but to provide the environment, and fulfilling lifestyle to encourage people to stay and grow with the North.

Few would doubt the truly immense potential for development in the North, blessed as it is with abundant natural resources, a skilled workforce and a tremendous entrepreneurial spirit. The recession from which we are now emerging has, however, taught us a lesson about how delicate are the elements linking the North with a secure and dynamic future. The continued reliance of communities on single industries is a situation which must be addressed in a concrete and accelerated way. To provide the policy framework for shoring up the security of communities dependent on single industries, I recently released the report of a government/industry/labour task force on

one-industry towns containing a range of recommendations to address this persistent problem.

The answer to the problems associated with an inordinate dependence on primary resource industries has been and continues to be the development of a broader industrial base, one less vulnerable to the boom and bust cycles which characterize the mineral and forest industries.

To this end, the federal government has taken an active role and has provided the policy and ensuing assistance to nurture broad-based industrial growth. As the recession eases, it is essential that we take advantage of the transitional period to get prepared to

recapture and expand the markets for our products.

Programs of the federal government under the Department of Regional Economic Expansion and the Department of Regional Industrial Expansion (DRIE) have provided the financial incentives for business and industrial growth in situations where, because of the particular difficulties of the North, a project may not have proceeded without government assistance.

In exceptional circumstances, where the structural decline of a particular industry has serious consequences for the on-going security of a community, the federal government's Industry and Labour Assistance Program (ILAP) provides the financial tools to stimulate industrial development in an accelerated fashion. In the region of Sudbury, ILAP holds much promise for moving projects from the back burner to the job-creation stage.

Developing a broader, more diverse industrial base is a major component of an attempt to strengthen the economic security of Northern Ontario. At the same time, the federal government does not intend to ignore the opportunities which lie in expanding and innovating the forestry and mining sectors. These industries will continue to be the backbone of most of our Northern communities for the foreseeable future and so must have programs of the federal government at their disposal to foster competitive production. I am confident we will see some very positive developments in these domains in the near future.

It is abundantly clear that Northern Ontario has a great deal to offer, in terms of quality of life and economic potential. The federal government, for its part, has been and will continue to be an enthusiastic and active participant in the exciting development of the North.

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North Bay

Economic Development Department
City of North Bay
P.O. Box 360, North Bay
Ontario Canada P1B 8H6
Phone (705) 474-0400

Gold puts shine on mining industry

By Pat Johnson

Some 40 km east of the tiny Northwestern Ontario community of Marathon, what promises to be the largest and certainly most exciting gold deposit in Canada is rapidly unfolding in Hemlo Township.

Noranda Mines is emerging as the major operator at the gold field, having entered into agreements with Vancouver exploration companies Goliath, Golden Sceptre, Teck Corp., International Corona Resources, Interlake, and Brigade.

Noranda is proposing an underground mining operation on the Golden Giant property with an initial production rate of 900 metric tonnes per day by November 1984, gradually increasing to 2,000 tonnes. Up to 250 workers will be employed during the construction phase, and as many as 200 workers will be required for initial operations.

But the excitement doesn't end there. International Corona and Teck have entered into an agreement with Noranda to utilize Noranda milling facilities, a good indication a second mine may be in the works. And Noranda is looking to extend already known reserves on the Golden Giant property through options

266 people will be required at the open pit operation and this will increase to about 500 once production goes underground.

Hemlo and Detour Lake are just two new discoveries in an industry that has historically been a major factor in Northern Ontario.

Some 40,000 people in Ontario and approximately 15 per cent of the North's total workforce are employed in mining and mineral processing. Numerous communities, including Timmins, Kirkland Lake, Sudbury, Cobalt, Elliot Lake, Wawa, Manitouwadge, Red Lake, and Shebandwan, are dependent on the mining industry.

In 1982, total metallic mineral production in Ontario was valued at \$3.157 billion. By volume, this amount translates into 172.8 million kg copper, 19,802 kg gold, 3.75 million tonnes iron ore, 63 million kg nickel, 8.6 million grams in the platinum group, 345,000 kg silver, five million kg uranium, and 256.5 million kg of zinc.

Mining accounts for eight per cent of the gross provincial product and about 25 per cent of its exports. The industry also provides a myriad of service and spin-off business opportunities.

Ground Control (Sudbury)

potential hazard. Herold's unit, called Portolite, operates off an ever-abundant supply of compressed air fed underground.

Herold believes his product is unique and he is now considering expanding his

See Page 7



A temperature check 5,800 feet down-under

By Dionne Photography

If you have an idea that will make you a world-wide competitor...

If you have a product that will contribute to the mining or forestry industry...

If you have a concept that will keep Ontario growing and develop trade...

LET'S PROVE IT!

Talk to us... we'll do it together.

The gold fields of Hemlo and Detour Lake are just two new discoveries in an industry that employs about 15 per cent of the North's workforce

held on adjacent Interlake and Brigade properties.

The discoveries have precipitated an unprecedented staking rush in the area. Thunder Bay mining recorder Audrey Hayes reports 4,000 claims recorded in February, the most since the 1954 rush near Manitouwadge, and there is no indication things are slowing down.

Meanwhile, in northeastern Ontario, work is progressing well at Detour Lake, some 135 km northeast of Cochrane in the James Bay region. Dome Mines Ltd., its Campbell Red Lake Mines Ltd. subsidiary, and Amoco Canada Petroleum Company Ltd. are pouring about \$146 million into the virgin gold deposit.

Start-up date for open pit operations has been slated for August with a milling rate of 2,000 tons per day. An underground mine, slated to come into production in 1987, will increase this mill rate capacity to 4,000 tons a day.

Benefits to the surrounding communities of Cochrane, Iroquois Falls, and Timmins, are significant. An operating workforce of some

Ltd., for example, specializes in roof support for mines and is the only Canadian manufacturer of resin cartridges for rock bolting in the mining and construction industries.

General manager Mike Mooney was a Sudbury miner for five years before becoming a distributor of a similar line of products for an American company. But Mooney felt he lacked control over his contracts and soon decided to purchase the U.S. firm's patent rights for manufacture in Sudbury.

Four years later, Ground Control manufactures and distributes resin, cable, and rock bolts as well as providing an engineering service. Markets include Canada, the United States, and Japan and Mexico is hoping to break into Australia and South Africa as well.

Another Sudbury company with a unique service is Herold Supply, manufacturer of portable underground lighting units. The need for the unit dawned on company president John Herold about four years ago. Conventional electrical generators are at the mercy of a power failure, making the workplace a

The Ontario Centre for Resource Machinery was established by the Ontario Ministry of Industry and Trade as part of a BILD initiative. Our objective is to increase Ontario-based manufacture of resource machinery and equipment, by encouraging mining and forestry industry research and development.

We have extensive funding available to help prove that Ontario is a world-class competitor. These funds will be invested in projects that:

- Show job creation or preservation.
- Demonstrate proven markets.
- Generate long term revenues.
- Support long term northern Ontario economic development.

These may include a broad range of projects such as creation and construction of prototypes of machines in which research and development have already been carried out, joint ventures in creating manufacturing capability, or redesign of existing equipment.

The Centre will provide economic and market

analysis, and function as a clearing house for information concerning resource machinery available both in Canada and abroad. The data will include the identification of specific market opportunities, reasons for changes or growth in import patterns, as well as the gathering of information on various technologies and their possible applications to resource machinery.

The Centre's goal is to obtain a larger share of the national and international resource machinery market for Ontario manufacturers, and to place Ontario prominently on the map of technically innovative, world-class competitors.

The Centre will assist Ontario manufacturers strengthen their position as world-class competitors in resource machinery manufacture. We must aim for highest standards of product quality, pricing and service, and actively demonstrate that we are a province of innovators second to none.

We are here to help Ontario grow by developing Ontario industry. If you believe you can contribute to this growth, call us today.

LET'S PROVE IT!

TALK TO US...WE'LL DO IT TOGETHER.

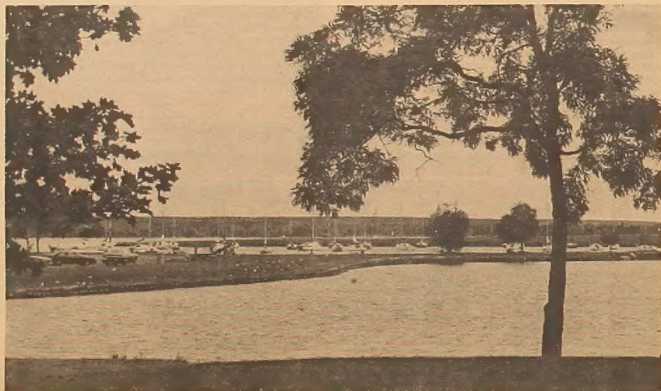


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BILD
ONTARIO

We're not just another pretty place. Here's why.



Sault Ste. Marie: A city that knows what industry needs to prosper and grow. A location offering some important advantages in four essential respects...

Energy:

Tremendous new finds of natural gas in Western Canada have greatly increased our already favourable gas reserves. Environmentally "clean", natural gas is a favourite fuel of industry. Prospective investors in the Sault will be impressed by the low price and ready availability of "Nature's Wonderfuel".

Seventy per cent of the electricity used in the Sault is produced by the nine generating stations of Great Lakes Power Corporation, a Sault area company. This high proportion of locally produced power results in very favourable rates for both residential and commercial customers. The balance of electrical requirements is met by Ontario Hydro, a utility that enjoys enough surplus power to be a net exporter, mainly to the northeastern United States.

Other fuels and energy sources are in good supply in Sault Ste. Marie, and are economical to buy, by today's standards.

Location:

We have an ideal, central Canadian location, within 500 miles of the major industrial centres of Michigan, Illinois, Wisconsin, Minnesota, Indiana and Ohio. Toronto, Hamilton, and Ontario's industrial south, are also within 500 miles of the Sault. Easy to get to; easy to ship from.

Transportation:

On the water passage between two Great Lakes, Sault is served by lake freighters and ocean-going ships. Both American and Canadian airlines maintain daily flight schedules. For truck freight Interstate 75, to Florida, terminates at the river, while the Trans-Canada highway passes through the city. The Algoma Central Railway, a local business, makes connections with the Canadian National Railway at Oba, Ontario. The Sault is also served by the Canadian Pacific Railway system, and by the Soo Line from south of the border.

Lifestyle:

Sault Ste. Marie is a beautiful, clean city. Our citizens enjoy thousands of square miles of recreational wilderness year-round. Fish and game abound in the area. We enjoy our winters, too, skating, skiing, snowmobiling, curling and supporting our great local hockey team, the Grayhounds. No one is ever at a loss for healthy, exciting activity in Sault Ste. Marie.

**Why not begin planning now
to become part of this
dynamic programme of
industrial development...**

Here's How...

**For further information and specifics on land and incentives
available for industrial development in Sault Ste. Marie contact**

Douglas L. Leighton, B.A., A.M.C.T., P. Mgr.

Economic Development Commissioner

Department of Economic Development

Box 580, Civic Centre

Sault Ste. Marie, Ontario P6A 5N1

(705) 949-9111

City of Sault Ste. Marie

Ideal ingredients for economic expansion

By Tom Douglas

If ever there was an opportunity for an enterprising, expansion-minded industry to turn a lemon into lemonade, that opportunity now exists in Sault Ste. Marie.

This is the philosophy of Doug Leighton, the city's Economic Development Commissioner.

The "lemon" he refers to is the high rate of unemployment the city is currently experiencing due to layoffs at Algoma Steel Corporation, the community's main source of jobs.

With more than 14,000 men and women registered with the Canada Employment office in the Sault, the unemployment rate is in the 30 per cent range, among the highest figures in the country.

Leighton points to the fact that this readily-available workforce includes people with management skills as well as a high volume of technically-skilled tradesmen.

"What better time would there be for the location of a new industry in this community?" says Leighton. "Combined with all the other incentives we have -- accessibility to U.S. as well as major Canadian markets, available serviced land and amenities that are second-to-none in the north -- a ready-made skilled workforce is a real bonus." Leighton admits that it's part of his job to be optimistic about the future of Sault Ste. Marie, but adds that this optimism is shared by a wide cross-section of the community.

Unlike some of the other Canadian communities hard-hit by the world-wide recession, spirits are still high in the Sault, with the average worker still expecting to get a call-back once things start to pick up at the steel works.

Confidence

Retail sales, as is to be expected, have fallen off dramatically but, with the odd exception, merchants report that it hasn't been as bad as they feared it might be.

In fact, construction is proceeding apace on a new \$6-million shopping mall in the city's north end. The interior mall, built, owned and operated by Sentry and Canadian Tire stores currently on the site, will contain an estimated 40 additional stores and cover more than 250,000 square feet.

The developer, Burnac Leaseholds Ltd. of Toronto, has expressed confidence that despite the recent expansion of the city's biggest complex, Station Mall, to about 80 stores, there is still room for more. Tony Barry, director of development for Burnac, was quoted recently as saying that he expects purchasing trends to be on the upswing

by the time the mall is finished this fall.

"We want to be in place to get the market when it turns around and we are confident that there will be a turnaround in a year or so," he said.

There are a number of signs that the developer's confidence is not misplaced.

The recent steady decline in interest rates coupled with a determination on the part of the federal and provincial governments to stimulate economic recovery and to create more job opportunities indicate that the recession may be over.

Several secondary industries in the Sault have recently announced expansion plans despite a weakened economy. Notable among these are Northern Beverages, a subsidiary of Northern Breweries Ltd., and Arc Tube Inc., manufacturer of steel tubing for various consumer products.

Northern Beverages has received a \$1-million Northern Ontario Development Corporation (NODC) loan as well as a \$350,000 grant from the federal government to expand and modernize its soft drink division.

The total project, with infusion of capital by the company, will come to \$1.8 million, with \$1.4 million of that being spent for a new production line in the Sault and \$400,000 going towards refurbishing the existing line and installing it at the company's Timmins plant.

Arc Tube began on a small scale six years ago, making brake line and other hydraulic tubing for the auto trade. Two years ago it started making narrow tubing for refrigeration and air conditioning.

Last year, the company was awarded a \$180,000 grant from the federal Department of Regional Economic Expansion to allow expansion into the manufacturing of larger diameter tubing for specialized auto and other parts.

Another source of optimism on the Sault employment scene is the commencement of work on new sewage treatment facilities for the city.

Under terms of agreement signed last year by the three levels of government, the project will provide \$69.6-million for a new sewage treatment plant in the west end, a water pumping station at Gros Cap, 15 km west of the city, a water filtration plant between Gros Cap and the city's boundaries and main linking the plant with the city's existing system and reservoirs.

It is estimated that between 500 and 600 construction jobs will be created during the three-year building period.

To offset the financial woes caused by industrial stagnation, Nature has given the Sault another basket into which the city can put some of its economic eggs -- lakes, hills, forests and wide-open

spaces that make the area a natural draw for the ever-increasing recreational market.

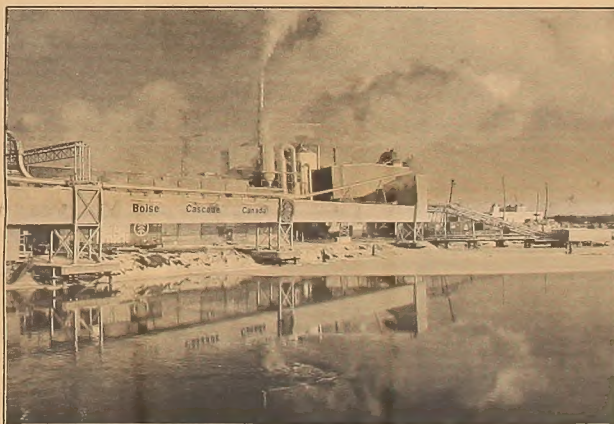
Perhaps lulled into complacency by the economic health provided by Algoma Steel over the first 80 years of this century, the people of Sault Ste. Marie, including those directly involved, have tended to regard the area's tourism potential with a bit of a ho-hum attitude.

This, despite the fact that thousands of tourists from across North America and even farther afield, rave about the scenery north of the Sault upon their return from a one-day jaunt aboard Algoma Central Railway's fall colour excursion or

See Page 17



Lock tours a popular tourist attraction



Fort Frances Kraft Mill

Building for the future.

Boise Cascade is a progressive member of the Canadian Forest Industry. We are people who comprise a forest products company that grows and harvests trees to produce pulp and paper and building materials which are sold internationally. Our broad timber base totals nearly 4 million acres.

Pulp and paper mills at Fort Frances and Kenora, Ontario, and Newcastle in New Brunswick, produce printing and publishing papers, newsprint and market pulp.

A sawmill at Keewatin, Ontario, manufactures studs for residential and commercial use and railroad cross ties.

We are planning major capital investments over the next five years to improve and expand our operations. Our commitment is to better utilize our valuable resources, increase productivity to meet international demands, conserve energy through the use of wood waste for steam power and manufacturing stronger and higher quality paper.

Boise Cascade Canada Ltd. ...Building for the future of Northern Ontario.



**Boise Cascade
Canada Ltd.**

Regional Municipality of Sudbury

Labels don't tell the whole story

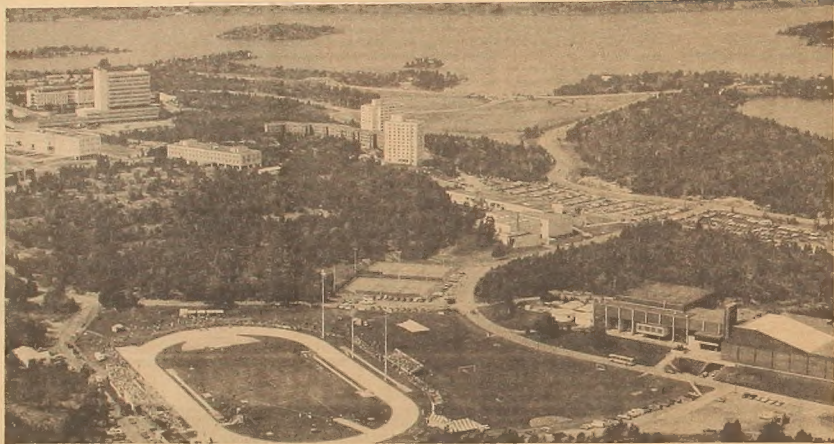
By Pat Johnson

It seems Sudbury has always suffered from what could be generously called an "image problem" among residents of the industrial heartland in southern Ontario.

First, there was the "moonscape" syndrome which painted a picture of mile upon mile of desolate landscape, nary a tree to be seen. When massive re-generation programs began to take root, the focus on Sudbury switched over to acid rain. And once further studies showed that Inco's smelter was not the sole perpetrator of the problem, the region won a new title, "unemployment capital of Canada."

While these labels may be a convenient method of identifying an area, they are not the whole story. The Regional Municipality of Sudbury is a thriving, beautiful metropolitan home of 160,000 residents. Located in northeastern Ontario at the crossroads of the Trans-Canada highways and the Canadian National and Canadian Pacific railways, the city is a mere 240 miles north of Toronto.

Nickel giants Inco Ltd. and Falconbridge Ltd. do play an important part in the region's economy, but compared with some 20 years



A panoramic view of Laurentian University on the shore of beautiful Lake Ramsey

Photo by Karl Sommerer

ago when 75 per cent of the workforce was employed by the mines, their importance to Sudbury's livelihood has shrunk considerably.

Prior to last year's layoffs by Inco and Falconbridge, 27 per cent of the total working population made their living

through nickel.

"This is a natural phenomenon marking the evolution of Sudbury as the socio-economic centre for Northeastern Ontario," says Bill Sutton, president of the Sudbury Regional Development Corporation (SRDC).

Sudbury has four major strengths: health and education, government and banking, secondary and service industries, and primary industries, he points out.

Health and educational services account for the direct employment of some

850 to 900 people, says Sutton. Sudbury is acknowledged as the major medical treatment centre in northeastern Ontario. Specialized services are provided in open heart surgery, burn treatment, rehabilitative medicine, pediatrics, and cancer treatment. The city also boasts Laurentian University and Cambrian College of Applied Arts and Technology.

Banks and insurance companies have established Sudbury as a regional centre for the Northeast as have numerous government services, most notably the federal Tax Data Centre.

Support industries, originally built up around nickel, have branched out over the years to service mines right across Canada. And non-mining services, such as LOEB food wholesalers, have established Sudbury as a central distribution point for Northern customers.

Technical Centre

While Inco and Falconbridge, representing the primary sector, have undergone tough times over the past year, both companies have now resumed operations. As the largest single source of nickel in the world, Sudbury's mining future is assured for generations to come.

The community is now working to build upon its economic strengths through recently established job creation task forces under the umbrella of the SRDC. The task forces, divided into various potential employment areas, are represented by every segment of the population. Their purpose is to solicit and review any and all job creation suggestions. Since January, roughly 25 or 30 out of 250 submissions have gone forward to various levels of government for

consideration.

All segments of the economy are being looked at but the region's main focus is on mining technology.

"We have to build upon our strengths," explains Spike Hennessy, general manager of the SRDC. "We already have engineers, technical people and the technology which has been steadily built up over the years. A most recent significant development has been the establishment of the Ontario Centre for Resource Machinery Technology in the city. This centre's expertise will be an addition to the existing core already here."

Signals are that MECO (a consortium of Noranda Mines Ltd., Inco Ltd., and John Clark Ltd.) is ready to go ahead with a mine machinery and equipment manufacturing plant here. We already have some fledgling equipment companies and all will be ready to take advantage of a turn-around in the mining industry."

"There is no question that we should be known as the mining technology centre of North America," says Sutton. "We're attempting to convince the province to build a centre for the testing of mining equipment, monitoring of emissions, and health and safety."

"Rope testing, for instance, is now done at Queen's Park. Companies have to send in sections of cable from their cages every month. We're also looking at an acid rain institute and fine particle research centre at Laurentian University. The federal government could also provide us with its research and geological branches."

"The Big Nickel (a project being developed in conjunction with the Sudbury Science Centre) is far from just a tourist attraction. It's being

New Directions in Resource Management

Northern Ontario has so much to offer—so many new adventures, so many economic opportunities just waiting to be realized. Idyllic wilderness locations, endless angling possibilities and challenging hiking trips just waiting to be experienced.

And we at the Ministry of Natural Resources want to make sure those opportunities are available to every Ontario resident and visitor. That's one reason why we're heading in new directions in the management of fish and wildlife, parks and recreational areas and forestry.

But it is essential that we work together to meet the challenges of resource management, especially in the many single-industry communities in Northern Ontario. By promoting tourism, for instance, we offer economic stability to those communities. Many of my ministry's policies are geared toward increasing the potential of Northern Ontario's tourism industry.

Through our new Crown land recreation policy—beginning in northwestern Ontario this year—we will encourage non-resident anglers and hunters to take advantage of the fine tourist establishments in Northern Ontario.

Through our provincial parks, we offer ideal spots for visitors to get away and relax—whether they are looking for a hiking adventure, moonlight campfire or a family picnic.

Through our strategic land use planning, we will be able to manage all our resources—something that holds the key not just to the survival of our rich resource base but also to the realization of its full potential.

Through our native fishing agreement, we will acknowledge and protect established and existing non-Indian uses of the fishery, while recognizing the special status of the Indian people—all in a context of the need for conservation.

These are just a few of the programs of my ministry, programs aimed at boosting the appeal of tourism in Northern Ontario. Through careful planning and wise resource management, we can preserve Northern Ontario as a recreational paradise in North America that is unparalleled.



Ministry of
Natural
Resources
Ontario

Hon. Alan W. Pope
Minister
W. T. Foster
Deputy Minister



The Hon. Alan W. Pope

developed as a mine test facility. There's none in Canada now. Mines Minister Judy Erola had to sign a contract last year with a mine in Michigan to test equipment. We have the largest integrated mining complex right here in Sudbury. Why not have the technology to go with it?"

"Our hope is to pattern ourselves after the 'Silicon Valley' in Ottawa," says Hennessy. "to form a critical mass of expertise. The federal and provincial governments poured hundreds of millions of dollars into the microprocessing field in Ottawa initially but they don't have to steer companies that way anymore. The majority of experts are now there and each established major company is spawning a new business every 18 months."

Sudbury is already benefiting from thousands of dollars being channelled from both levels of government into special incentive programs. Consideration is being given to establish Cambrian College as a national job training centre and substantial grants have been directed towards the construction of Science North, a world-class tourist attraction.

The region is undertaking a \$75,000 tourism study in preparation for the opening of the science centre in 1984. Modelled after the Ontario Science Centre in Toronto, the facility is expected to draw some 400,000 visitors annually.

Amenities

On top of this expanding, diversified economic base, Sudbury has a lot to offer by way of entertainment, shopping, outdoor recreation, and scenery. The region boasts a professional theatre centre, a symphony orchestra, and the only professional harness racing track in Northern Ontario. Shopping facilities are second to none with an extensively developed downtown commercial district and three suburban shopping malls. All forms of sporting activities, from cross-country and downhill skiing to tennis, squash, and swimming are within reach. And the city's crowning jewel, Lake Ramsey, is a mere two minute drive from downtown for swimming, boating, or simply relaxing along its huge park area.

Housing costs are comparatively low with an 1,100 square foot average home going for \$53,000. Two major industrial parks and six smaller developments are serviced and available for new industry.

And, of course, there are the people of Sudbury.

"The federal and provincial governments would like to look at what has happened in Sudbury and develop us as a model in community participation," says Sutton. "Everyone, from the bishops of the church to the unions, has become involved with the region's job creation efforts. Our task forces have possibly kept a lid on social problems by providing hope for the future. And this wasn't something that was developed out of a back room. It came from the heart."

...a treasure-house of minerals

From Page 3

automotive supply and service business to manufacture the units. He estimates such a plant could employ up to 100 assembly people, plus a support staff of 30, and a small group of sales representatives.

Taking advantage of the gold staking rush sweeping across Northern Ontario is Northern Concentrators Ltd. of Thunder Bay. This company provides a concentrating mill specifically geared towards the junior prospector.

Previously, prospectors had to rely on the mills of large mining companies to have their ore assayed. But at Northern Concentrators, the customer can actually sit and watch as his gold is extracted from the crude ore.

The mill, which began operations in 1979, has proved so popular that it attracts customers from as far away as the Manitoba border and Sault Ste. Marie.

International companies, as well, have been attracted to the North's vast mineral riches. Skega Canada Limited,

ed, part of the worldwide network of SKEGA AB of Ersmark, Sweden, set up its Canadian head office in North Bay in 1975.

While the company serves both mining and forest industries, Skega specializes in primary autogenous grinding mills used in mining operations to grind ore into pellets. The mills contain liners which are frequently worn out by the ore's constant tumbling action.

Skega custom-manufactures rubber mill linings, a quieter, lighter, and longer-

lasting alternative to the more commonly used steel linings. While Skega does export world-wide, between 20 and 22 per cent of the company's production goes to Northern Ontario companies.

J.S. Redpath is another North Bay company which commands world renown. The company, founded in 1962 by J.S. Redpath, specializes in mining engineering and construction wherever there is a need for the service.

Similarly, Longyear of

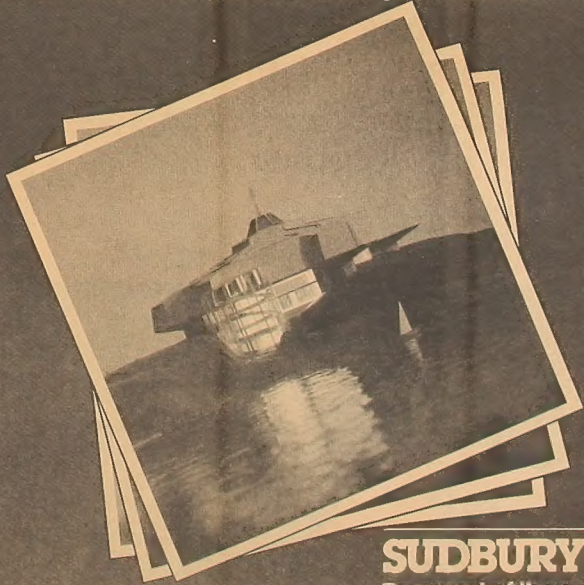
Canada Ltd., also of North Bay, is an international supplier of a complete line of core drilling equipment including drills, rods, casing, core bits, and ancillary equipment.

What this all adds up to is a solid core of mining expertise in Northern Ontario, from exploration and development to extraction and processing. As the recent finds at Detour Lake and Hemlo illustrate, the North is a treasure-house of minerals and accompanying business opportunities.

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Thunder Bay

A bustling hub and a unique lifestyle

By Bryan Eddington

"We're going to project an image that we're not just a smaller variation of major cities," says Dick Charbonneau the general manager of the Thunder Bay Economic Development Corporation. "We have so many things you can't get in Toronto or Vancouver."

In Thunder Bay a person can live in the country but be at work within 20 minutes, on the ski hills within half an hour, and in summer can swim or picnic at an unpolluted lake well within city limits.

As Charbonneau says, the city offers a unique lifestyle. It is common for employees who fight their transfer here to quickly reject any idea of leaving Thunder Bay they demand to stay.

Charbonneau's job is to attract new industries to Thunder Bay. "But we can't just scatter our efforts everywhere," says Charbonneau.

Instead he will be concentrating on attracting new businesses that are closely associated with the major resource and port industries already here.

A large part of the corporation's work will be helping businesses already based in Thunder Bay. In fact, of the 60 calls Charbonneau averages a day, some 80 per cent are from local people. Charbonneau meets regularly with local entrepreneurs and investors. Bringing these groups together and guiding them to government help is a large part of the corporation's work.

But Thunder Bay's economy is still based on three major industries: forest products, the port and tourism.

Despite a wide variety of facilities and services, the true charm of Thunder Bay remains with the unparalleled beauty of its surrounding countryside and harbour

expects that lower inflation combined with reduced interest rates will help the market to grow again.

"I think it's a question of confidence in the market," said a spokesman.

One of the company's strengths, however, is its efficient mill where a modernization program has almost been completed. Another strength is that most of its financing was done through internal funding, when cash flow was strong, and so the company's debt load now is relatively low.

At Abitibi-Price, which operates three mills in Thunder Bay, the market picture is similar.

At the port of Thunder Bay, manager Jerry Cook agrees that the economy will improve in 1983.

But the port has been only marginally affected by market conditions. During 1983, Thunder Bay moved into second position in Canada, behind Vancouver, in amount of cargo handled. The main reasons were a good crop year, an efficient market and the ready availability of rail boxcars. Despite a late start, record tonnages of grain moved through the port during the shipping season.

The port manager expects "another good year" in 1983 and, with the mild winter, an early start to the shipping season.

Cook expects little immediate effect on the port when changes to the Crow's Nest Pass rates are approved by parliament but in the long

run he welcomes it.

"We think it will start a process of change," he said.

Cook expects to see improvement in the rail system, increased competition from trucking and greater diversification of crops. Eventually, he expects to see cargoes such as peas, lentils and sunflower seeds moving through the port.

"We also hope to see at least a partial return of packaged goods on the lakes," added Cook.

The port has been struggling to interest companies in using its Keefe Terminal since Canadian Steamship Lines closed its operations there some two years ago.

Apart from forestry products, Thunder Bay's main manufacturing industry is the Can-Car division of Hawker-Siddeley Canada Ltd., which has been concentrating on the production of commuter trains.

While a contract to provide Toronto with trains will provide work for several months to come, the long term future of the company remains unsettled since the unexpected rejection of its bid to provide trains for Houston. The company remains hopeful, however, and will be submitting bids to Singapore while searching for other contracts.

The poor economy also caused tourism to drop some 20 per cent during 1982, but is expected to improve during 1983 as this part of the country continues to draw visitors from across Canada, the United States and Europe.

Ski mecca

During the winter months, seven ski hills plus the national ski jumping complex continue to attract visitors and provide a popular recreation for local residents.

The ski hills provide a variety of slopes from beginner to expert, with smooth runs or moguls as the skier desires. Recently, ski lift operators formed a promotional association which plans to increase the number of visitors from places like Winnipeg, Minneapolis and Chicago.

Cross-country ski trails, and snowmobile trails, also serve the sports-minded with conditions varying from smooth to terrifying.

During summer months, Old Fort William, where the Northwest Company once held its grand rendez-vous of voyageurs, continues to draw thousands of visitors.

This authentic reconstruction never fails to awe. It consists of 43 buildings plus an Indian encampment and farm, all set on a secluded 120-acre site.

A major part of Old Fort William's attraction lies in its ability to make history come alive. Indians and voyageurs wander within the stockade while skilled craftsmen use 19th century tools to build everything from barrels to canoes.

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for many years attracted visitors to this part of Canada and will continue to do so as long as the spectacular and rugged beauty of the area remains.

For residents, and many visitors, the Canada Games center provides an Olympic-size swimming pool with regulation diving boards plus exercise and sports rooms. Elsewhere the city has eight indoor pools, three indoor running tracks, six golf courses, four curling rinks and five tennis facilities.

For the more culturally minded, the city has live theatre, 20 movie houses and a symphony orchestra. Determined efforts from many citizens is likely to result, this year, in the start of construction on a large auditorium which would attract major touring entertainers and groups as well as providing a suitable stage for local productions.

For the academically inclined, Thunder Bay boasts a young university that is fast gaining a solid reputation, plus a community college that offers a comprehensive variety of day and evening courses.

With all this, plus easy transportation east-west and south, Thunder Bay has much to offer. The Trans-



The Port of Thunder Bay is the second busiest harbour in Canada

Canada Highway provides good road access to the east and west while CPR and CNR rail lines are convenient.

Through the international airport, Thunder Bay is served by Air Canada, Nordair, Superior Airways

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But despite this wide variety of facilities and services, the true charm of

Thunder Bay for both residents and visitors still remains the unparalleled beauty of its surrounding

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Challenges and opportunities

Editor's note: the following is a conversation with David Hobbs, Deputy Minister of Northern Affairs. A native of Toronto, Mr. Hobbs joined northern affairs in January 1982. He was previously with the ministry of transportation and communications and the ministry of treasury and economics. He is 42 years old and studied History and Philosophy at the University of Toronto and Yale.

Northern Ontario is going through some difficult times. The resource industries have been down. Productivity improvements have been implemented in a number of mills. We've seen a drastic drop in employment levels at Inco. Are you optimistic about the future?

David Hobbs -- Well, the short answer is yes. It's true that at the present time we're going through a double problem period in the sense that world markets and North American markets for our products have been down at the same time that structural changes are taking place. But the basic fact of the matter is that Northern Ontario does have resources. It remains one of the great storehouses of natural resources in terms of forest products and mining and in terms of the attraction of the lakes and what have you from the standpoint of tourism. So while there has been a downturn and while there are some basic changes taking place in the resource industries, over the long term there is still the fact that there is a great wealth of resources and there is going to be a continued demand for them and if we can remain competitive in international markets then a solid base for the economy is going to be there. No one can take that away.

We have development corporations across Northern Ontario that are actively pursuing secondary industry. There seems



David Hobbs, Deputy Minister of Northern Affairs

to be the opinion that we've gone as far as we can go as far as employment levels are concerned in the resource sector and if we are going to continue to grow and prosper we're going to have to become more involved in the secondary and tertiary sectors. Do you see any cause for optimism in this area?

I agree that to pick employment and to expand the economy there is going to have to be growth in the secondary and tertiary industries. But I think that it's not something that's going to happen dramatically by waving a magic wand one night and waking up with huge industrial plants in existence the next morning. It's going to take time. Something that struck me is that Northern Ontario is very, very young and the primary focus has been on the resources. There has been no great push and for a long, long time there has been no cause to push and to look for secondary and tertiary industries because the resource supplied directly or indirectly all the jobs that people in the area were looking for. But there is going to be a plateauing in the number of jobs in the resource industries and the slack is going to have to be taken up in the secondary and tertiary areas. And I think it is possible and things have started to develop. If you take a look at Sault Ste. Marie, for example, it's taken Algoma Steel a long, long time to develop that operation to one where it's one of the biggest and best managed operations in North America. But there are indications in various communities of small firms starting up. The one thing about economic development that most people agree about is that you can't come in with artificial transplants. You can't just lift a huge Volkswagen plant, for example, and put it into a small community in Northern Ontario. The most successful examples of regional and economic development come out of the people and the entrepreneurship and the resources that are available in Northern Ontario. So I think it's possible and I think we have indications that it's starting to happen.

What about some of the perceived disadvantages that relate to manufacturing in Northern Ontario? Transportation, distance from markets, for example? Is transportation really a problem?

It depends on the product you're talking about. In a lot of ways Northern Ontario is relatively central. Sure it's further from Toronto. But places like North Bay are within easy striking distance of Montreal and Toronto. There is good transportation access whether it's by rail or road. Sault Ste. Marie and Thunder Bay are close to the mid-West markets in the States and Sault Ste. Marie and Thunder Bay, again, are closer to Western Canadian markets than Toronto is. So, transportation overall isn't the determining factor in terms of where you locate. Obviously one wants to be as close as one can to certain markets and sources of supply but I just can't accept the fact that the minor distances -- relatively -- that are involved are enough to make it impossible for manufacturing companies to be viable in Northern Ontario. Despite the recent decision taken by Jarvis Clark in North Bay -- and I don't want to delve into the reasons for that -- Jarvis Clark did prove that they could be successful there. They have chosen to move out for certain corporate reasons but they did prove that they could be competitive and that they could operate successfully in North Bay.

What about some of the advantages that Northern Ontario has to offer? Advantages that are sometimes overlooked by businessmen in the south?

I think that Northern Ontario has suffered from an image that it is isolated, that there is a lack of skilled manpower, that the climate is terrible, that there is a lack of basic services -- whether they be social or recreational -- and that somehow it's, quote, a frontier. That may have been the case a long time ago but it is very definitely not the situation today. The Government of Ontario has invested a lot in ensuring that there is good transportation access to the region. The climate is probably the same or better than what you have on the Prairies. Community services are excellent. A lot of the disparities that did exist in terms of medical and social services have been rectified in the process of being dealt with. If you take a look at a city like Sudbury, you've got a university, you've got Cambrian College, in other words you have the base to produce the kinds of manpower skills that are required. You have excellent health facilities as far as the standards of any community are concerned. So from an educational, from a health and from a social services and even a cultural point of view, most of the Northern Ontario communities have a base that ranks well with other communities in Ontario. And in addition to that, they have very ready access to all the benefits that you can get from a land of lakes and forests. The image that Southern Ontarians often have simply isn't an accurate reflection of what exists in Northern Ontario today.

How can we turn that image around? How can we get through to Southern Ontarians, particularly businessmen, who on thinking of building a new plant or expanding, often tend to think of the Golden Horseshoe and not very far beyond that.

Part of the job rests with people in the area. I think that the community development people have to sell themselves in Northern Ontario and they have to tell people in Southern Ontario what exists and why locating in Northern Ontario is not only not going to have penalties involved but it's going to be a good thing. A lot of communities are only recently into the economic development game. There's a



P. RAY CLARKE, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

Canada and Kidd Creek are both dependent upon the export of the products which we produce. The financial health of our company and Canada is dependent upon our continuing to be efficient, low-cost producers of the commodities which we export. A trading nation like Canada must be competitive in the world market place which means that Kidd Creek must be competitive in the cost of producing copper and still make a profit. The world market place is very complex. By exporting our copper, and making a profit on it, Canada earns foreign exchange and this is able to purchase the goods to which we have all become accustomed. If Canada and Kidd Creek are not low-cost producers, our standard of living will fall.

In the last few years, countries in the western world, like Canada, have had new competition from third world countries such as Zambia, Zaire, Peru and Chile. They produce more than a third of the world's copper and their needs are different than ours. Their objective is not necessarily to make a profit but to obtain the necessary foreign currency from

the sale of their copper in order to repay their debts and to buy capital and consumer goods from the industrialized world. Frequently copper is their only export product and prices are often reduced to get the dollars that are required to keep their economy going, without concern for profit.

These countries do not cut back production, or reduce the amount they sell, when the price is low. They have high grade ores which they continue to expand and they have low labour costs. Our challenge is to try and compete with them always keeping in mind that we, Kidd Creek, will not do so at the expense of employee health and safety and the environment.

We were not happy with the price we received for copper throughout 1982. For instance, between August 1981 and October 1982, the North American copper price fell by 29 cents from \$1.09 to 80 cents a pound. The present price of about 95 cents is in line with our price projections for the year. However, it is still far below 1981 prices and we have a long way to go to regain the ground we lost last year.

Kidd
Kidd Creek Mines Ltd.

base that's starting to form. You see it in a variety of communities whether it's a community like Atikokan or a community like Sudbury where there's an active campaign under way to change the image and develop an awareness in Southern Ontario of what does exist or why it's a good place for manufacturing or a variety of secondary or tertiary industries to locate. Another player I suppose is the Ministry of Northern Affairs, which has basically a two-fold mandate. One is to improve the delivery of services and government programs in Northern Ontario and the second is to represent the interests of Northern Ontario in the decision making at Queen's Park and, quite frankly, in terms of marketing Northern Ontario. We are the only ministry in the Government of Ontario that has a legitimate right to be totally biased in favour of one part of the geography of the province of Ontario. So part of our mandate is to sell Northern Ontario and that's one reason we have something like Ontario North Now at Ontario Place which doesn't simply depict Northern Ontario as rugged bush but, rather, as a place that has many dimensions and is capable of producing and, in fact does produce a number of types of goods and services just the same as any other place in the province.

What strategy characterizes the ministry's thrust toward economic development in Northern Ontario...?

The primary thrust is geared first to maintain and stabilize the major sectors of the economy. The forest industry and the mining industry. They are the base. The government has indicated through the pulp and paper modernization program that it is serious about maintaining, stabilizing and ensuring that the major industries of Northern Ontario will be competitive in world markets. The second thrust is through a variety of programs to try and expand in a realistic way the secondary and tertiary sectors of Northern Ontario. The community economic development program, for example, is geared to providing assistance so smaller communities can hire expertise to take a look at economic opportunities. The third area that the government has been very active in is ensuring that infrastructure is in place in all the major communities -- and here I'm talking about sewer and water -- that will allow industrial expansion to take place. If you don't have adequate sewer and water service, then you can go and talk about how desirable it is to locate in your community but it just isn't going to happen. Over the last number of years -- along with the help of the federal government, there have been major sewer and water projects that have been undertaken in North Bay, in Sudbury, in Thunder Bay and one going on currently in Sault Ste. Marie, and in some of the smaller communities. The same is the case in terms of transportation infrastructure. A lot of money has been put into the highway system and a lot of money has been put into air services. One of the reasons for the introduction of norOntair was to ensure that there was adequate service between communities for people in the business sector. The other area that the government has been active in, in terms of trying to provide a base for economic development, has been in improving educational facilities. We now have universities in Thunder Bay and in Sudbury. We've got a number of colleges that are producing the kinds of skills that are required. There has been a lot of attention paid to reducing the disparities that did exist at one time in health services, whether it's through the ministry of health with its hospital or other programs or whether it's through the ministry of northern affairs in terms of providing grants for medical and dental clinics. There has been a great deal going on over the past few years that has demonstrably improved the level of health services. In all these areas, there's been an effort by the Government of Ontario to put in place what's needed as a basis for economic development to provide the communities with the wherewithal to go out and try and get it.

The ministry of northern affairs was established in 1977. How important has it been in promoting Northern Ontario's interests?

"A lot of Northern Ontarians wouldn't trade what they have for Toronto for all the money in the world. A lot of them are puzzled as to why people in Southern Ontario would not recognize the benefits of living in the North."

Well, let me go back. At the time the ministry was established there were some people who questioned whether it would make a difference. Based on the years that it has been in existence, it has given people in Northern Ontario a ministry of their own, a ministry that can talk to, a ministry that is staffed with people who live in the north and understand what the north is all about. And it has provided access to government programs. It has been able to pinpoint specific problem areas that have not been dealt with by other ministries because they were basically issues or problems that were lost in programs that dealt with the province as a whole. Unorganized territories, for example, had been unable to carry out even the basic functions of providing fire protection or recreation services.

Through the Local Services Board Act the government has been able to deal with some of the problems of the unorganized territories. I don't think that would have happened if there hadn't been a ministry of northern affairs. We've been able to go in and deal with other ministries and to constantly indicate that there's a Northern dimension that they should pay attention to. And I think it has had an impact in areas like health. The thing about the ministry of northern affairs is that there's always somebody at the cabinet table. There's always somebody around when policies are being developed who says you should take these particular Northern Ontario situations into account or say to another ministry there is a problem in the north that has to do with and you can't deal with it purely in terms of all of Ontario. You've got to look at it differently.

What about businessmen who may be considering some kind of venture in Northern Ontario? Should they be knocking on the door of the ministry of northern affairs and, if so, what can the ministry offer them?

Businessmen should be knocking at our door and, in fact, a great many of them do. While we do not have programs in place that provide direct assistance to the private sector for developing businesses in Northern Ontario, we have a great familiarity with the various communities and we have very close links with the ministry of industry and trade and are able to steer people through the bureaucracy to programs and to the individuals they should be talking to.

What makes Northern Ontario different from the rest of the province? And what about Northern Ontarians? Are they a special breed?

I think they're a special breed. It doesn't set them totally apart from the rest of Ontario but I think that the way of life and the pride that people take in their communities and in their region of the province is something that sets them a little bit apart. The thing I find interesting is the real pride that people take in living in Northern Ontario and being from Northern Ontario. They do look on themselves as being somewhat different from the rest of the province.

One thing that Northern Ontarians always stress when they want to explain exactly how their lifestyle differs from that of people living in Toronto is the availability of recreational opportunities, the ability to leave the office at 5 o'clock and be in the middle of a lake fishing an hour later. This is obviously something that a lot of people down south aren't aware of or don't appreciate.

A lot of Northern Ontarians wouldn't trade what they have for Toronto for all the money in the world. A lot of them wonder why people would drive 200 miles fighting the traffic to be able to do something that someone in a northern community can do in 15 minutes. A lot of northerners feel that they really have the best of any world you're talking about. They can work in good communities and they can have recreational opportunities at their fingertips and it's a pure round thing. A lot of them are puzzled as to why people in Southern Ontario would not recognize the benefits of living in Northern Ontario.

What is the potential for the further development of tourism in Northern Ontario?

Tourism is one area that everyone agrees is capable of further development. The strength of tourism in Northern

See Page 19

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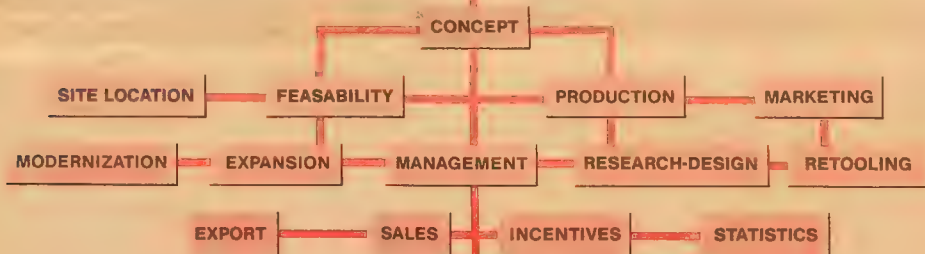
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Canada 

City of North Bay

An air of optimism in Gateway City

By Don Curry

The Gateway to the North, as the City of North Bay likes to refer to itself, suffered a few scars through the recession, but expects its diversified economy to weather the storm in relatively good shape.

It lost a major employer, Jarvis Clark Ltd., a mining equipment manufacturing company, and a minor one, Paul Boettger Medical Laboratories and Co., but the city's economic development department is hoping to see other companies replace them.

The city is on the Trans-Canada Highway at the intersection of Highways 17 and 11. It sits between two large lakes, the renowned sport fishing lake, the shallow and warm Lake Nipissing, and at the east end of the city, Trout Lake. The population is stable at 50,000.

Outdoors, which makes North Bay such a popular destination for tourists, is one of the major selling points the city uses to attract industry. That, and the more tangible entitlements such as a reliable and relatively inexpensive labour force, federal and provincial grants for industry, and the abundance of serviced industrial land are the major weapons in the city's arsenal.

North Bay is 218 miles, or 351 kilometres north of Toronto, and roughly the same distance from Ottawa. A major railway centre, it is the headquarters of the Ontario Northland Railway and both Canadian National and Canadian Pacific Railway lines pass through the city.

Manufacturing provides 17 per cent of the jobs in the city, with the service sector providing 27 per cent; public administration 17 per cent; trade and commerce 16 per cent; communications and other utilities 13 per cent; construction five per cent; finance, insurance and real estate three per cent; and primary industries only two per cent.

A Canadian Forces Base is a major employer and its presence has helped the city maintain an airport which can handle aircraft of any size. Air Canada provides three return flights daily to Toronto and two to Timmins. Both cities are 45 minutes away. The provincial government airline, norOntair, provides two return flights daily to Sudbury, Sault Ste. Marie, Timmins, and Earlton. Voyageur Airways provides daily flights to Ottawa, Sudbury, and Toronto.

The mining and forest industries provide the manufacturing base for the city, but others range from a large H.D. Lee Co. jeans plant to Norbrand Sales, which manufactures plastic garbage bags, and Reichold Chemicals Ltd., which produces phenol formaldehyde resins.

Stuart Kidd, the city's assistant director of econom-

ic development, says the city has 430 acres of serviced industrial land available, with 40 per cent of it owned by the municipality. The city's spanking new Birch's Road industrial subdivision has 135 acres, at prices up to \$16,000 an acre.

Tom McGuire, the department director, points out that Jarvis Clark's exit from the city in May is going to leave a labour pool of skilled people, including machinists and welders, and that should be an inducement to new industry.

McGuire is quite pleased that 1982 is now history. He's more optimistic about 1983.

"I think there's an upswing in the economy. Companies are once again thinking of expanding. There's an air of optimism," he says.

The city is now negotiating with companies considering establishing a presence in North Bay.

The municipal tax rate, the cost of land and housing are other major incentives the city uses to attract industry.

Kidd says January 1983 survey figures put the cost of a three-bedroom bungalow in North Bay at \$55,000. A Royal Trust Survey of Canadian house prices completed in January shows North Bay to have the second lowest prices, in comparison to Halifax, Montreal, Hull, Ottawa, Toronto, Windsor, Winnipeg, Calgary, Edmonton, and Vancouver.

Competitive rates

The survey showed a 2,000 square-foot, two-storey, three-bedroom house, combination brick and wood siding, five to eight-year-old, two-and-a-half bathrooms, a main floor family room, fireplace attached two-car garage, full basement on 6,500 square feet of property, would sell for \$84,000 in North Bay. The only lower location was Hull, at \$76,000. The same house would cost \$172,000 in Vancouver, \$152,500 in Calgary and Edmonton, and \$143,500 in Toronto.

Taxes on that house are lowest in North Bay, at \$1,100 a year, and highest in Montreal, at \$2,352 a year.

Hourly wage rates, provided by Labour Canada Statistics, are \$7.08 an hour for general office clerk; \$9.02 an hour for maintenance carpenter; \$9.94 for electrical repairer; \$9.36 for maintenance machinist; and \$8.25 for a labourer in a non-production position. Of the surveyed cities, only Halifax-Dartmouth has lower labour rates.

While North Bay is obviously north of Toronto, at 46.25 degrees latitude, some people are surprised to learn that it is actually south of Calgary, Regina, and Winnipeg. The city has a reasonably moderate climate with low humidity, and has a frost-free growing season

Canadore College: First-class educational and recreational facilities are major selling points



from late May to mid-September.

Tourism is another industry the city is looking at with renewed interest. The city's major hospitality industry employers have formed an association, and the city is expected to hire a tourism and convention officer soon.

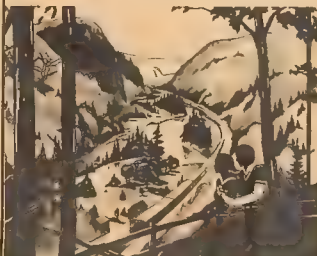
The fishing, hunting, boating, swimming, and camping facilities available form the backbone of the tourist industry. Major attractions such as the scenic Chief Commanda II Cruise across Lake Nipissing and down the French River, and the original home of the Dionne Quintuplets, also bring visitors to North Bay. The city also has large, modern, hotels and motels, numerous dining facilities, two golf courses, an outdoor tennis centre, an indoor racquet club, four indoor skating rinks, and a newly-expanded fully-equipped YMCA.

Last year the city spent \$9,000 on a promotional film which accentuates the lifestyle in the city. It is sent to companies which may be interested in setting up shop in North Bay, and to government and banking offices. It is also shown at conferences and conventions, such as the National Corporate Realty Conference last fall in New York.

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Agawa Canyon

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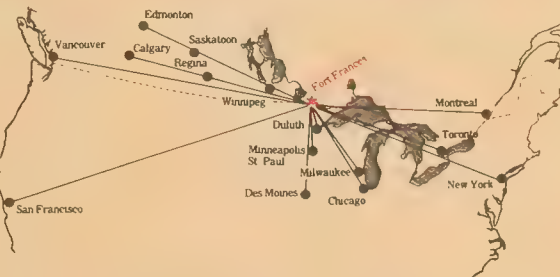
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Minaki Lodge set to shine again

Minaki Lodge, once renowned as Ontario's "jewel of the north" is set to shine brightly again this spring.

The meticulous renovations which will both restore the baronial splendor of the lodge and transform it into a world class resort and conference centre are nearing completion in time for an April opening.

Richard Boustead, Minaki Lodge's dynamic manager, is confident it will rival Canadian resorts like Montebello for world class accommodation and amenities.

Although it will be suitably outfitted to accommodate all types of guests, the lodge will be especially attractive for business conferences.

A new addition to the historic main lodge incorporates an ultra-modern theatre and five 'break-out' meeting rooms clustered around it.

The rooms are totally adaptable for classroom or auditorium style presentations or as banquet and reception rooms.

Radisson Resorts, which will be operating and managing the Ontario government-owned lodge, has already booked 6,000 room nights for 1983.

Plans are for the lodge to operate from April to November in its first year and the target is 12,000 room nights.

Tucked away in the deep quiet of Ontario's northwest, Minaki Lodge sits on the picturesque shores of Sand Lake, at the mouth of the Winnipeg River.

An hour's drive up a newly reconstructed highway from Kenora, the lodge overlooks the tiny village of Minaki, a haven for sportsmen and cottagers during the summer months.

Constructed in 1925 by Canadian National Railways, it earned a fabulous reputation and was, at one time, one of the choicest wilderness spots in Canada.

The imposing features of the main lodge, with its massive log construction, high ceilings, warm decor



and reclusive setting, remained permanently etched in the memories of thousands of visitors to the lodge, whose only access was by rail for years.

The 'Jewel of the North' on Sand Lake peninsula

The popularity of the lodge went from 1940 until the mid-1970's. The Ontario government purchased it in 1975 to protect a loan it had made to an owner who was unable to operate it at a profit.

Renovations were begun in 1975, but Minaki Lodge became an early victim of government restraint and was mothballed until 1978 when local citizens successfully lobbied for the lodge's restoration.

Since then, the Ontario government, principally through the Ministry of Northern Affairs has invested over \$20 million in restoring the lodge and rebuilding main access roads to it as well as paving an airplane landing strip.

All signs point to a sprawling resort that will offer accommodation in luxury second to none in Northern Ontario.

Visitors to the lodge will have a wide choice of recreational options that include sailboating, fishing, golf, night tennis, or simply a quiet evening on the veranda or in the library.

The major guest wing addition has increased Minaki accommodation potential to 240 guests in 120 rooms.

All of the guest rooms, grouped in two clusters facing Sand Lake, offer a panoramic view.

Rooms come in a range of sizes from bedsitings to a two bedroom deluxe suite that include a bar, fireplace, living room and private baths for each room.

The main lodge is the show place of Minaki.

The lobby is dominated by a magnificent log beam ceiling, massive fieldstone fireplace and elegant chandeliers.

Blending the old with the new is a lounge off the main lobby that features two-tiered seating and live entertainment.

Linking the main lobby with the conference centre wing is the majestic library, a popular feature retained from the old lodge.

All of the main rooms in the main lodge bear the names of native birds of

Northwestern Ontario.

The ballroom has been named The Kingfisher Room, while two rooms adjacent to the triangular shaped indoor pool are The Heron Room and the Cormorant Room (two birds known to make their habitat at water's edge).

The formal boardroom will be known as the Osprey Room while the final multi-purpose room will be the Eagle Room.

A unique recreation feature of Minaki Lodge will be its indoor pool, retained from the old lodge.

The poolside area has been carefully modified, however, so that swimmers can have their choice during nice weather - either a sunbath on the spacious veranda outside or a seat at the water's edge with the private sauna, whirlpool, exercise room and locker rooms only minutes away.

The Main Dining Room will seat approximately 210 guests and will be one of the premiere attractions at Minaki Lodge.

Menus, prepared in a huge ultra modern kitchen are varied on a rotating basis and designed to give guests the ultimate selection in continental cuisine.

A tantalizing selection of egg dishes, toasts and crepes has been selected for the breakfast menus.

Anticipating a large transient lunchtime trade, the chef at Minaki Lodge, Frank Eder, has opted for a popular selection of everyday lunch specials.

Dinner time at Minaki Lodge will be a special time. Lights in the dining room will be suitably dimmed, the staff more formally dressed and jackets quietly insisted on for male patrons.

"The last idea is for people to be embarrassed," Boustead explains, "however, we would like to promote some type of semi-formality."

Menu offerings for dinner will feature an exciting variety of continental dishes, with some Northland Specialties such as fresh walleye offered periodically.

Plans are to feature live soft background music such

as classical guitar and later in the evening, on Fridays and Saturdays there will be dancing at centre floor to live music also.

The grounds at the lodge have been carefully manicured to accommodate full size tennis courts with night lighting, a marina and an 80 foot sand beach.

The original nine hole golf course has been upgraded with intense work on the fairways and greens and the addition of more shrubs and trees.

The lodge marina will offer fishing boats for rent, canoes, windsurfing boards, sailboats, sightseeing boats and paddleboats.

The area is a sportsman's paradise as the Winnipeg River system has yielded some of the finest walleye and Muskie in Northwestern Ontario.

Minaki Lodge will also be a major employer.

The Lodge will have a staff of approximately 142, with 25 part-time employees to be hired in conjunction with a program run by the Canada Employment Centre.

Some key employees are already in place, readying the lodge for its first day of business.

Radisson Resorts is offering its time tested Assurance Meeting planning guide to minimize mistakes for incoming guests.

The guide involves a checklist mailed to conference planners, personal meetings with Radisson co-ordinators, key contact lists, identification badges and post conference reviews.

The lodge will eventually tie in with another major project in the Kenora area, the construction of a bypass on the Trans Canada highway around Kenora.

The bypass route will link up with the newly reconstructed highway, leading directly to Minaki Lodge.

A newly paved airstrip is scheduled to be operational this spring. Minaki Lodge has radio contact with the airstrip and will offer limousine service to and from the lodge.

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Township of Atikokan

Setting an example in community spirit

By Victoria Dunn

Five years ago Brian Ross left the hustle and bustle of big city Regina for the rugged small township of Atikokan, a community of about 5,000 people some 120 miles west of Thunder Bay in northwestern Ontario.

At that time Atikokan's only major industries, two iron ore mines, were in the process of closing and the most optimistic forecast of Atikokan's future called for the population to stabilize at about 3,500. This assumed that at least two 200 megawatt generators would be built by Ontario Hydro at its Atikokan Generating Station site and that Steep Rock Iron Mines would begin mining an iron ore body at Bending Lake with pelletizing in Atikokan. Without the Bending Lake project, the forecast was a population of 1,800.

As Atikokan's Economic Development Commissioner, Ross accepted a job which offered him the chance to test "hands on" theoretical concepts about economic development which he had been creating over the course of four years as a provincial manager of development and analysis for the department of regional economic expansion in Saskatchewan. Ross accepted what he considered would be a challenge — putting some 1,000 unemployed miners back to work and keeping Atikokan cooking.

Today Atikokan is a town bustling with a variety of activities. In spite of Steep Rock Mines' indefinite postponement of the Bending Lake Mining project and Ontario Hydro cancelling one of its two planned coal fired units, the township's population has remained at about 4,750 people.

Unemployment in Atikokan is not significantly higher than it is in other healthy Northern Ontario towns. It is, in fact lower than in many communities.

The last five years has seen the creation of between 20 to 30 new firms in Atikokan, ranging in size from small service companies like Cecil O'Flaherty's Crystal Enterprises to the large, fully modern White Otter Inn.

Ross says the key to Atikokan's success in dealing with the loss of its mining industry is its people. "Atikokan is a town where the work ethic is alive and well," he said. "Its greatest asset is its people. They decided what they wanted the town to be and they took the steps necessary to make it so."

In 1973, shortly after the mines announced they would close within the decade, the township's council established the Atikokan Industrial Development Committee (AID). In turn, the AID committee participated in establishing community development goals and then provided the focus of the township's drive to achieve them. When Ross came to Atikokan in 1978, the AID committee had already influenced two major developments in Atikokan — the Hydro project and Pluswood Manufacturing Ltd., a manufacturer of particle board employing about 120 people.

Since 1973, about 500 new jobs have been created in Atikokan as a result of AID and the economic development office.

From a large Canadian supplier of iron ore to a diversified supplier of particle board, wooden toys, custom-made machinery, fishing tackle, satellite receiving dishes, wooden table and chair legs, Atikokan has come a long way. And while resource-based industry closings are becoming a common and chronic occurrence that is crippling

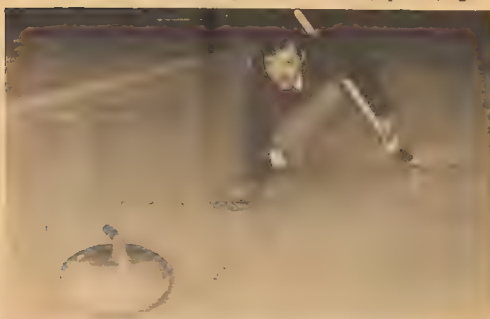
single-industry communities throughout Northern Ontario, Atikokan's experience is becoming an example that others are planning their future by.

Ross' experience in Atikokan has brought him full-circle — from "a provincial government bureaucrat to very much a grass roots kind of person."

"The most important level of administration is municipal. Important decisions for a community come from individuals or small groups who are able to identify specific goals. Senior government can't define what a community should do if its industry closes. All they can do is throw money at it."

Ross says money from senior levels of government can be crucial to survival but only if it's spent by the community towards the achievement of goals. In Atikokan's case, the township used a \$400,000 provincial grant in 1981 to build an industrial mall-a 12,000-square-foot facility which acts as an incubator for its tenants who pay rent with graduated increases over a five year period. At

See Page 21



Atikokan has given Brian Ross a more relaxed lifestyle

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Working for a secure future: The Government of Canada and Northern Ontario

The past two years have been difficult by any standard for the communities of Northern Ontario. The world recession has hurt Canada's export markets and caused hardship for many workers.

During this period of economic uncertainty and job dislocation, the Government of Canada, in co-operation with the Province of Ontario, has engaged programs to employ thousands of workers, predominantly in the resource sector. These are temporary measures to protect workers while our economy emerges from the recession and enters what is hopefully a phase of renewed economic development. With mineral prices rising and other economic indicators improving markedly, prospects are good for a healthy recovery in 1983, with many opportunities to expand the markets for our products.

The federal government maintains a serious commitment to the present and future prosperity of Northern Ontario through regional development initiatives. Some of these are:

- *Department of Regional Economic Expansion (DREE) continues to play a major role in the encouragement of industrial development through incentive financing.
- *Northern Ontario Rural Development Agreement (NORDA) provides incentives to expand and diversify projects in the mining, forestry, tourism and agricultural sectors.
- *Enterprise Development Program is available to encourage, through financial assistance, the development of technologically innovative projects.
- *Sewage and water systems and industrial parks, through the assistance of DREE provide the infrastructure for industrial and urban expansion.
- *Financial assistance from EMR, as well as geological displays have helped Science North become a reality.

These and other measures are designed to strengthen and broaden the economic base of the North. By working together with the federal and Provincial government, the communities of Northern Ontario will see the many opportunities for growth and development fulfilled.



Hon. Judy Erola
Minister of State (Mines)

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At least 20 Northern communities look to the industry for their well-being

Forest industry: a base to grow on

The green of Northern Ontario's vast woodlands is synonymous with another kind of green -- money, you guessed it.

At least 20 Northern communities are wholly or partially reliant on the industry for their well-being. In Ontario as a whole, forestry accounts for some 64,000 jobs, products worth \$6 billion, and more than \$400 million in federal and provincial tax revenues.

While the huge pulp and paper companies, Abitibi-Price, Boise Cascade, Domtar, E.B. Eddy, Great Lakes Forest Products, Kimberly-Clark, MacMillan Bloedel, and Spruce Falls dominate the industry along with the sawmills of Hearst and Dubreuilville, Northern Ontario is by no means solely a "beaver of wood."

A myriad of businesses in the service and wood products sectors have sprouted throughout the North over the years with a vast degree of success.

Waterboard, a relatively new product, has taken a firm foothold in the North with two mills in Thunder Bay, one in Long Lac, one in Timmins, and the newest one, Grant Waterboard, in Englehart. Normick Perron is now studying the feasibility of establishing a mill in Cochrane and feasibility studies may also be carried out in the Sudbury area for the possible establishment of either a waterboard or particleboard mill there.

Reichhold Ltd. has been serving this reconstituted panelboard industry since 1965 when it established a small liquid resin plant in North Bay. A few years later, the company expanded into formaldehyde production and in 1975 became the first Canadian plant to manufacture powdered resins. Reichhold is now the largest producer of formaldehyde in the country and has recently completed a \$4.6 million capital expansion program which will more than double its powdered resin capacity. The resin is an essential agent that binds wood chips

together in the manufacture of waterboard panels. When a second spray-dryer is in operation by 1984, capacity will be increased from 15 million pounds a year to 35 million pounds to service markets in Northern Ontario, eastern Canada, the United States, and the Philippines.

Another success story in the panelboard sector is that of Bill Smiljanic and Kakabeka Timber in the small community of Kakabeka Falls, about 30 kilometers

west of Thunder Bay. Smiljanic was a supervisor at the Great Lakes Forest Products mill in Thunder Bay eight years ago when he decided to purchase the impoverished Kakabeka Timber Company. Foreseeing a shrinking housing market, he decided to produce a product for do-it-yourself home renovations and construction.

Today, his wall paneling is distributed across the country and into 15 States, representing 90 per cent of his market. Smiljanic reports that after a "gloomy" year, demand is once again booming and he is looking to expand his markets even further in the future.

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In Atikokan, Don Meilleur and family are carving out a unique niche in the forest products sector through Tuff Craft Products Limited, manufacturers of wooden toys, custom-built cabinets, souvenirs, and ready-to-finish pine craft items.

Meilleur started out making his distinct wooden toys as a hobby. Demand for his crafts kept growing until, at the urging of family and friends, he set up shop in the Atikokan Industrial Mall in November 1981.

Using locally supplied fibre, Meilleur and his staff were producing an average of 400 pine toys a week shortly after opening. Since January, the company has attended several national gift shows and Meilleur now expects "all heck to break loose any day."

"We've had lots of potential customers calling whom we hadn't expected previously," he says. "Now, instead of producing 200 or 300 toys an order, we might be up to 5,000 to 6,000 at a time."

The concept of taking what you know and improving upon it has worked well for Porcupine Trailers Ltd. of Timmins. Andy Larochelle, who worked in various facets of the lumber industry prior to starting his own business, designed his first logging trailer in 1967 and hasn't looked back since.

His most recent design is the Timmins Hydraulic F.R.P. COMPACTION VAN. The vans contain a patented process for the compression of wood shavings and sawdust, enabling truckers to increase their payload by a minimum of 35 per cent. Larochelle has also designed and manufactured a mechanical wood harvester and a skidding grapple for woodlands operations; but, the mainstay of the business remains with its custom-built trailers. For example, a trailer with a 32 foot trailer may have it modified on the premises into a 45 footer. Porcupine Trailers also manufactures its own line of heavy duty spring suspensions specially designed for rugged Northern logging roads.

See Page 21

The city is well-served from an educational point of view, with six high schools, Canadore College of Applied Arts and Technology, and Nipissing University College.

The community college has full-time programs ranging from applied arts subjects to high technology computer and aircraft electronics. The university offers five degree programs, and its faculty of education traces its roots to 1909 when it began as the North Bay Normal School. Since that time it has graduated more than 12,000 teachers.

The city has two large hospitals, plus the 600-bed North Bay Psychiatric Hospital.

City staff and the Nipissing Board of Education operate out of the city's beautiful city hall, which overlooks the city and Lake Nipissing.

City council has some major projects ahead of it, including a Main Street reconstruction project now under way and scheduled for full completion. It involves the installation of new underground services along the city's main street, to be topped off with interlocking brick street and sidewalk surface, trees and planter boxes, benches, and decorative lighting.

Incident grants and loans by the federal and provincial governments have been instrumental in bringing businesses to North Bay in the past, and they are expected to continue to play a role in the future.

...Sault Ste. Marie eyes tourism potential

From Page 5

winter Snow Train through the spectacular Agawa Canyon.

And despite the fact that the Sault area has come to be regarded as offering some of the finest downhill and cross-country skiing in North America.

Those who realize that the sky's the limit as far as tourism goes if all those involved can work together are hopeful that a newly-formed organization - Hospitality And Tourism Sault (or HATS) - will further develop Sault Ste. Marie's tourism potential.

The Sault area offers some of the finest downhill and cross-country skiing in North America

The organization, which carried out an extensive search for a General Manager this spring, has a mandate from the city and the province to co-ordinate the Sault's tourism and convention activities.

A wild card in the Sault's participation in the Tourism Stakes is the elusive King Mountain Development - a proposed four-seasons destination resort 36 km north of Sault Ste. Marie.

Plans for the ski resort - summer recreational complex were in high gear prior to escalating interest rates. The provincial government has promised funds for infrastructure through its BILD program and negotiations for federal funding are proceeding.

Costs of the initial phase of development have been estimated at \$50-million. A consultant hired by the city to study the area's tourist potential rated the King Mountain Development as the catalyst that would finally put Sault Ste. Marie

The improving economic climate, with interest rates at a level where potential investors might be willing to take their money out of previously high-interest bank accounts, has people in the Sault hoping that King Mountain will finally come into existence.

Proponents of the development have asked Revenue Canada to expand customs facilities at the Sault Federal Airport to handle an estimated 9,000 skiers travelling into the city by air over the 150-day ski season, a promising sign that things might get moving again on the project.

The request will be fed into a Master Plan study on the airport currently underway by Transport Canada. The expected expansion of

the airport will add another ingredient to the "lemonade" recipe proposed by Economic Development Commissioner Leighton.

Referred to as the "Hub of the Great Lakes", the Sault provides accessibility to all Great Lake ports and Atlantic and world shipping via the St. Lawrence Seaway.

It has excellent highway connections to other Canadian and U.S. destinations by means of the Trans-Canada Highway (Highway 17 East and North) and the International Bridge over the St. Mary's River which links the city to Sault Ste. Marie, Michigan and U.S. Interstate 75.

By rail, the Sault is serviced by the Algoma Central Railway, with links to both the Canadian Pacific and Canadian National main-

lines. The CPR also provides direct freight service to the U.S. through Soo Line Railway.

The federal Department of Transport operates the airport, with full aviation services for both private and regularly-scheduled Air Canada, Nordair and norOntair flights.

The city is also serviced by a major U.S. airline out of Sault, Michigan with daily flights to Detroit, Chicago and other U.S. cities.

Because of its proximity to raw materials and prime North American markets, major industries such as Algoma Steel, Abitibi Paper, Domtar Chemicals, Northern Breweries, Great Lakes Power, Union Carbide and Weyerhaeuser have found Sault Ste. Marie a good location.

on the international tourist map.

"Sault Ste. Marie is in a strategic area to capture tourists within the Great Lakes Circle Route," said Alastair Morrison, president of the Economic Planning Group of Canada.

"The downhill skiing area has not been fully tapped. King Mountain can be the finest, most sophisticated, interesting skiing between the Rockies and the Laurentians."

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Civic Centre
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Reeve William Howard

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Frank Meyers

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John J. Buchan

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J. Rene Adams

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Gerry O'Connor

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Linda Kelly

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Marathon Economic Development Committee
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Tom McGuire or Stuart Kidd

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Jack McTaggart

Sault Ste. Marie

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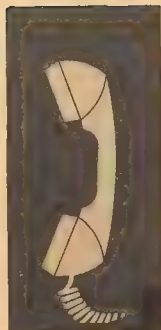
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...an interview with David Hobbs

From Page 11

Ontario has always been the tourist outfitters and the seasonal lodges. That is obviously going to remain important but there is a shift where growth is happening to the four season destination resort, to getting tourism attractions that are located through a corridor that is going to keep tourists in an area for a little longer, that is going to provide them with more opportunities to stay in Northern Ontario. We're looking at things that will attract more people to come north that will get them to stay a little bit longer and things that will attract a different type of tourist. An example of what might be called a destination type facility is Science North in Sudbury which is something that is going to attract people. A number of the smaller lodges as well as developing year-round businesses that offer fishing in the summer and cross-country skiing in the winter. We've seen this in the Temagami area where you have a number of lodges that are now linking up, offering lodge-to-lodge skiing packages. That's attractive to people who are enthusiastic about cross-country skiing. These are the kinds of things we're looking for. We're very hopeful. There have been negotiations under way for some time now on a new federal-provincial tourism agreement which will be a \$60 million agreement and we're very hopeful that it will be signed by the federal government very soon. Naturally, it's for all of Ontario but there will be some major spinoffs for the north.



dramatically affected. Having said that, there's no question that there has been a great deal of economic difficulty.

However, we see the situation starting to change. The question that remains is how long is it going to take for the economic upturn to take effect, particularly in the United States, and when is that situation going to impact on Northern Ontario. There is a certain lag that always exists between a manufacturing upturn and a housing upturn and when that creates more demand for the products of Northern Ontario. So we do seem to be emerging from the difficulties we've been encountering.

Will we be stronger having faced this period?

I think so. I think that these difficulties have caused a lot of people to look very hard at their operations because they know that things are going to remain competitive. Overall, a lot of changes have been put into effect that are going to strengthen the operation of the mills or the mines and are going to keep them competitive. And that, too, is going to keep Northern Ontario strong.

We've talked about tourism, we've talked about secondary industry but as you indicated, the bread and butter industries of Northern Ontario are mining and forestry. I guess we're coming back to where we started. We've come through a very difficult time along with the rest of the province. We've seen massive layoffs in Sault Ste. Marie, a ten month shutdown at Inco, layoffs in the pulp and paper industry. Are you confident that we're emerging from this period of recession?

I see signs that we are emerging from what has been a very difficult time. Mind you, I think we should point out that the situation has not been all that bad across all of Northern Ontario. There have been layoffs. There have been instances of mines and mills closing down. The Sudbury situation has been extremely difficult and the same with the Sault but there have been bright spots. Timmins has stayed quite strong, we've got a gold mine at Detour Lake coming on. Elliot Lake has been in pretty good shape. Blind River is good, we've got the Hemlo discovery which has created a gold rush, so that there are areas that have not been

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City of Timmins

The biggest little town in Canada

By Pat Johnson

Timmins Mayor Vic Power likes to describe his community as the "biggest little town in Canada."

"We have a small town atmosphere where people still greet each other on the street but we're a big city in terms of our economic outlook."

The City of Timmins stands in the heart of Northeastern Ontario, a focal point and urban service centre for neighbouring communities such as Coburn, Iroquois Falls, and Kapuskasing. Excellent transportation facilities make it easily accessible from Toronto, 689 kilometers away, or Sudbury, 298 kilometers.

Embracing 1,240 square miles, Timmins is the second largest city in North America — but only in land mass. With a population of 45,000 the community retains a unique Northern flavour full of fresh air, sparkling lakes, and friendly people. While the city has not completely escaped the effects of the recession, "it hit here last and hopefully will leave first," says Power.

Timmins' economic stability can be traced to one word — gold. Gold is the historic reason for the city's growth. While several large producers such as Hollinger have closed their operations over the years, those that remain have expressed a strong commitment to the future.

Kidd Creek Mines is the economic backbone of Timmins, employing some 3,000 people and injecting over \$70 million into the city through wages and services. The company was a subsidiary of Texasgulf Inc. until the Canada Development Corporation moved in to take over the operation in 1981.

The mine sits on an unbelievably rich deposit of copper, zinc, silver, and lead which, as Power says, will be in production "long after all of us have been forgotten."

Kidd Creek is at the tail end of a major capital spending program which has been ongoing since the mine's opening in 1964. Construction of a second shaft for Number Two Mine, upgrading of milling facilities, and a new \$300 million copper smelter and refinery have been completed and expansion of a pressure



Bird's-eye view of Kidd Creek open pit mine with headframes in background

leaching plant is winding down. The company is also producing gold from its

recently developed Owl Creek and Hoyle Pond properties.

Dome Mines is one of Canada's oldest mining operations, having produced continuously since 1910. Together with its subsidiary, Campbell Red Lake, it's the largest gold producer in Canada.

The company is in the midst of a \$92 million capital spending project which will increase total mine and mill capacity in Timmins from 2,000 tons per day to 3,000 tons, creating some 150 new jobs. The project is expected to be completed by early 1984 increasing the current workforce to more than 800 people.

Pamour Porcupine Mines Ltd., a division of the Noranda group, produces gold from six properties in the Timmins area and employs some 990 workers. The company recently completed a \$14.7 million rehabilitation of the former Hollinger mine, now referred to as the Timmins property.

Since Pamour is a low-grade producer, it felt the effects of last year's downward spiral in gold prices more so than either of the other mines in Timmins. However, the company has reported a strong fourth quarter and analysts are calling for gold to exceed \$600 an ounce in the near future.

A brand new gold development at Detour Lake, some 135 km northeast of Coburn, also spells good news for Timmins. Dome Mines Ltd., its Campbell Red Lake Mines Ltd. subsidiary, and Amoco Canada Petroleum Company Ltd. are pouring some \$142 million into the virgin deposit. Open pit operations are slated to start up this August with some 260 workers and this number will increase to about 500 once production goes underground in 1987.

Power expects a majority of Detour employees, who will work a rotational seven-day shift, to make their home in Timmins. The city is already the headquarters for the companies involved and Power says it will also be a service headquarters.

In addition to gold, the growing, cutting and processing of lumber is a major occupation in the city. Malette Lumber Limited, McCloskey Lumber Division of E.B. Eddy Forest Products Ltd., and Waterford Corporation Ltd. are the leading employers in this area. Malette recently completed a new \$3.1 million tin particleboard plant creating 130 new jobs.

The Department of Health and Welfare is now in the process of relocating its Income Security programs office to the city. The move will create 82 new jobs and further Timmins' role as the service centre of the region.

On top of its expanding, stable economy, the city's lifestyle "can't be beat," according to Power.

"We have access to the outdoors plus modern amenities. There's nothing lacking. We have excellent educational, cultural, recreational, and shopping facilities. And we have a well-trained labour force in the area."

One of the most striking features about the people of Timmins is the number of extremely successful entrepreneurs who have been born and bred in the community.

"We have always had a very progressive, go-ahead spirit here," says Power. "In the 1950s when there wasn't any expansion here, one entrepreneur (J. Conrad Lavigne) went ahead and built a television station. Another, despite the fact

there was no Texasgulf, went ahead and built sub-divisions (the late J.V. Bonhomme). And in the early 1960's, the Senator Hotel came in with a massive project."

J. Conrad Lavigne, of course, went on to become president of the largest private television network in the world, J.V. Bonhomme, who also became a leading Canadian authority on gold, built more than 2,200 homes in the city prior to his death this past January. Gaston Malette, president of Malette Lumber and Waterford Corp., operates what may well be Ontario's most progressive group of forest products companies. And Austin Airway's Stan Deluce is president of what is close to the largest third-level air carrier in Canada.

Timmins is now set to start seeking out new entrepreneurs through its recently established economic development corporation. The corporation seats an interesting mix of private enterprise people, owner-operators, employee operators, and representatives from forestry, mining, retail, and city government sectors.

"At this point, we're trying to assess what's here," says Warren Holmes, Pamour Porcupine Mines Ltd. area manager and member of the board. "We have identified Timmins as being a service centre for Northeastern Ontario as well as a resource area and we are working from that base. We want to utilize more of the potential markets and raw materials local here."

"Anyone who indicates an interest in Timmins will get all the help they desire," says Power. "We'll help them in locating and meeting people. Right now it's very busy in Timmins, especially with all the prospecting activity Detour Lake has generated. And if the price of gold does take off to \$1,000, as some experts are predicting, Timmins will be very, very busy indeed."

"We've always been a go-ahead place. Optimism has always been a by-word in our development. We've always said that tomorrow will be a better day — and today is pretty good."



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...servicing the forest industry big business

From Page 16

Bill Fauconier, founder of Digital Engineering Inc. of Thunder Bay, saw a hole in the market and decided to fill it through the design and manufacture of computer modules for industrial application.

For example, Digital built a micro-computer for Great Lakes Forest Products Ltd. to switch on scales, weigh pulp bales, forward the bales, and provide a permanent record.

Since 1979, the company **...Atikokan, a good example**

From Page 15

the end of the five year lease, the township expects the tenants to be self sufficient.

Recently, Ross began playing the role of educator by spreading Atikokan's experience among other communities in the north. In Wawa, Ross led a two-day development seminar at which 35 townspeople devised a 21-point plan for economic diversification. In Iroquois Falls, Ross kicked-off "Opportunity 83". Organized by over 70 Falls businessmen and provincial and federal ministries of government, "Opportunity 83" explored and developed ideas for diversifying the economy of the town.

Ross enjoys the role of educator so much that he will resign his position as Atikokan's Economic Development Commissioner effective September 1, 1983 to pursue a mixture of both community and business development consulting. At the same time he tends to Atikokan's "Hoppy's Drive-In", fast-food restaurant in which he has a part ownership. In his consulting business Ross says he will help a community set goals through its own initiative rather than let a community what he thinks it should do. He will ask questions, compile the answers and then let the community decide what it wants to be.

The move to Atikokan has changed Ross' life. By putting to good use the time he gained through not having to fight traffic, he's been able to spend more time with his family. He's also become one of Atikokan's top curlers.

"There's a tendency in a city to associate with people around your own age, in the same line of work, same family circles. But in a town like this my friends are very diverse. One is a welder, another manages a small plant, and one is a machinist. My circle of friends is broad and interesting."

In the summer Ross makes a one week "pilgrimage" into nearby Quetico Provincial Park with his son. In Quetico, where the rules are no cars, no bottles, and no motors, travel is by canoe and you're pretty much on your own resources—an experience which Ross says is "absolutely marvellous."

has designed a more elaborate system for Great Lakes' new mill in Dryden and has also gone on to develop and install a power demand meter for the Lakehead's Saskatchewan Wheat pool.

Digital also provides on-the-spot servicing that saves companies both time and money. Fauconier says one forest products company was told it would cost \$3,500 to have a service representative flown in from California.

Aside from the vast benefits generated by service and wood products industries, forestry also provides opportunities in agriculture. Since the signing of the first Forest Management Agreement (FMA) almost three years ago, the demand for

tree seedlings has boomed. Escalating demand, coupled with a provincial policy to farm out contracts to private growers, has been good news for Northern entrepreneurs.

The province has already entered into 21 agreements with private greenhouse operators in the North and more are on the way. Under the agreements, almost eight million tree seedlings will be grown annually. This brings the ministry of natural resources closer to its goal of covering roughly 40 per cent of the province's productive forest with contractual agreements to regenerate cutover areas.

Evidence that the forest industry will continue to play a vital role in the North's economic good health can be

found in the multi-million dollar capital spending programs undertaken by pulp and paper companies over the past several years.

Great Lakes Forest Products Limited in Dryden has recently completed a \$250 million modernization project to update its kraft pulp mill. The company is also nearing completion of a \$90 million fine paper mill modernization.

In Kenora, Boise Cascade Canada Ltd. is working on a \$250 million modernization program and Abitibi-Price Inc. is winding up capital spending projects in Northern Ontario worth a total of \$157.7 million. E.B. Eddy Forest Products Limited of Espanola is on target with its \$235 million mill moderniza-

tion. Domtar Incorporated has completed its \$60 million capital spending program, and Spruce Falls Power and Paper Co. Ltd. is nearing the end of its \$100 million mill modernization program.

All of this ensures continued benefits for Northern service industries which meet the day-to-day needs of the large producers. E.B. Eddy, for example, spends roughly \$50 million a year in its purchasing department and this figure rose to almost \$150 million in the past year for its modernization program.

And while a majority of large purchases, such as heavy equipment and large scale repairs, are taken outside of the northern part of the province, opportu-

nities still exist for the entrepreneur who can see a need and fill it.

E.B. Eddy used to buy its tale from the United States until Steeltek Tale of Timmins came along to offer faster delivery and more competitive prices. Great Lakes Forest Products of Dryden bought its paper roll cores in southeastern Ontario and its cleaning chemicals in either eastern or western Canada until Greif Containers of Fort Frances and Diachem Thunder Bay Ltd. opened shop.

Says Paul Zahorec, assistant purchasing agent with E.B. Eddy, "If a local business can produce a product competitively, we are not at all adverse to buying it."

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Northern Breweries taps southern markets

By Tom Douglas

Northern Breweries Ltd., if you'll pardon the expression, has reversed the flow.

Almost from the time the first pioneer settled in the wilds of Northern Ontario, the traditional lament has been that the "robber barons" of Southern Ontario consistently siphon away the North's raw materials and profits.

Northern Breweries, having tapped the lucrative beer and ale markets of the Oakville to Oshawa corridor of the Golden Horseshoe, has allowed we Northerners to get back some of our own.

"With the success we have achieved in the Toronto area, the age-old argument about Northern Ontario dollars going south has been turned around," says Bryan Charbonneau, the company's

Director of Marketing.

"We're generating our own Northern Ontario Gross National Product and there's a hell of a lot of pride involved in doing so."

The pride is intensified by the fact that Northern Breweries Ltd., with a workforce of about 200 in its operations at Sault Ste. Marie, Sudbury, Timmins and Thunder Bay, is one hundred per cent employee owned.

In 1977, the staff came up with \$1.5-million in savings and loans to buy the company back from Carling O'Keefe, which had purchased all the shares of Doran's Northern Ontario Breweries Limited and Doran's Beverage Company Limited in 1971.

When Carling O'Keefe decided six years later to concentrate on its own

brands and divest itself of the small Northern Ontario, the staff revitalized earlier unsuccessful efforts to come up with enough cash to buy the operation.

Since that time, some \$2-million has been pumped into expanding and modernizing facilities and a further \$1.8-million project is currently underway to replace the existing soft drink production line in the Sault and refurbish it for installation at the Timmins plant.

These funds include a \$1-million Northern Ontario Development Corporation loan, a \$350,000 federal grant and company funding. Why so much activity at a time when other companies across the north are staggering under the weight of a world-wide recession?

"Any company would love to be in the position we're

in," says Charbonneau. "There's lots of room for expansion in Ontario and we're also close to completing negotiations for exports to the United States and Europe."

Ross Eaket, company president, says a slow, step-by-step expansion plan is the key to success in the highly-competitive brewing industry.

"A lot of companies have gone bankrupt by expecting to expand too rapidly," he says. "They've been too enthusiastic about the share of the market they are going to receive."

Probably the main reason the measured approach to expansion works well is the fact that the company is totally employee-owned; no one is there to make a fast buck at the expense of the company's future.



Brewmaster Kornell Fritz and President Ross Eaket

"We've got 131 shareholders and that's 82 per cent of those employees eligible to own shares, those with two years seniority," says Eaket. "They're proud of their company and they're proud of their community."

This unique arrangement also pays dividends in terms of the quality of product turned out by the brewing and soft drink divisions.

"Our workers own the company so they're more concerned about what they produce," says Eaket.

"They're not just working for some unknown shareholder. There's a lot more employee involvement -- both within the plant and in the community."

"When you're as small a company as we are, in relation to the other brewers in Canada, about the only thing you have going for you is the quality of the product; we don't have the massive advertising dollars of the bigger brewers."

And the quality is obviously there. In 1981, the company won two gold medals from the prestigious Monde Selection Institute of Brussels for two of its products -- Northern Extra Light beer and a specially-blended non-alcoholic beverage called Europa.

Last year, continuing the success of the previous year, it won another two golds -- for Northern Extra Light again and for Northern Ale -- while Europa gained a silver medal.

Round-table discussion by staff/owners takes place before a new product is launched and the suggestions come so thick and fast that no one person gets the credit for an innovation.

In fact, Eaket admits that the names of some of the new products -- Superior Lager, for instance -- could well have come from suggestions made to employees by the community at large which takes almost as much pride as the staff in the fact that a small northern brewery can compete successfully.

One of the new products that resulted from a wide variety of input was the "Draft Ball", a large heavy plastic ball in a carrying container which holds 19 litres, or the equivalent of 56 bottles of draught beer.

A special easy-to-use pump allows the home consumer to tap individual glasses at will.

"It's proved to be an exceptional success, not just a novelty," says Charbonneau. "It has also helped bring back a severely-depressed draught market. Younger people and women who had never been exposed to draught are now ordering it when they're out."

"The patterns of distribution had changed over the years and a lot of the younger drinkers had never had occasion to drink draught. The Draft Ball provides not only an excellent product for home consumption, but it's renewing a market that had taken a severe beating."

The successful formula of having 131 "owners" -- and therefore 131 goodwill salesmen working right in your main marketing areas -- is one that the company has taken pains to perpetuate.

"All shares are held by active employees," says Eaket. "When someone retires, he or she must dispose of their financial interest. And we've structured it so that no group -- management, salaried or hourly -- can have control."

This has been accomplished by appointing three directors from the management group, one from salaried and two hourly-rated employees. There are also two public directors appointed for a well-balanced board -- currently these are retired Thunder Bay businessman Emerson Clow and Sudbury lawyer Francis Donnelly.

Eaket expects that the company will invest another \$400,000 in additional equipment in the coming year as it gradually expands its territory.

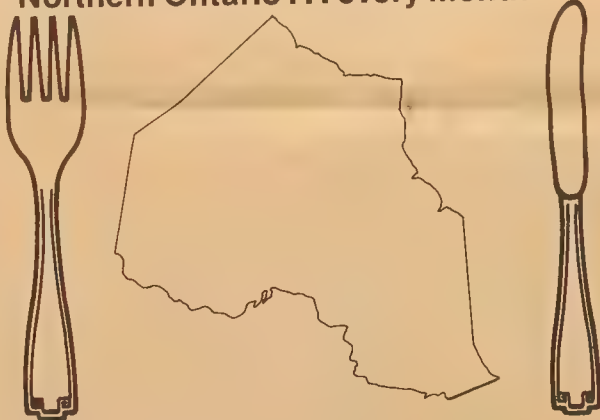
"Probably our biggest advantage is that we're not looking at a particularly large share of the market," says the company president. "This doesn't make us a prime target for the bigger fellows."

He adds that being in a very controlled industry, as all alcohol-related manufacturers are in Ontario, also helps the company survive.

"I'd hate to see us adopt the predatory marketing practices of the United States where the first thing you do is wipe out the existing brewery in an area," says Eaket.

"The rules are there to protect the consumer, but the same rules protect our viability."

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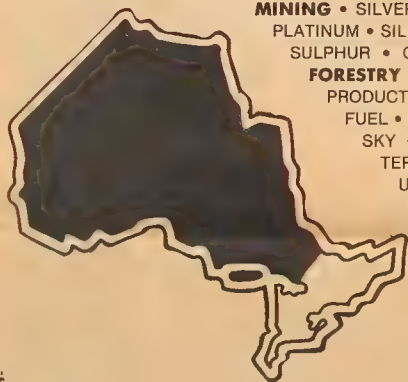
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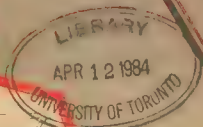
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Big gold discoveries spark new growth

By Pat Johnson

Northern Ontario's economic performance over the last year may have been less than spectacular in some sectors but the excitement generated by massive new gold discoveries at Hemlo and other parts of Northern Ontario more than make up for it.

Northern Ontario has become the envy of North America and the reason is gold.

Detour Lake in Northeastern Ontario and the spectacular discoveries at Hemlo in

the Northwest have guaranteed this region four new major gold mines in the near future—a prospect that has fueled the imagination of exploration companies across the continent and lined the pocketbooks of many Northern Ontario residents.

Of the two gold properties, Hemlo has generated the most excitement. Major players in this modern-day bonanza are Goliath Gold Mines Limited and Golden Sceptre Resources Limited (both under option to Noranda Exploration Company Limited), International Corona Resources Limited

(under option to Teck Corporation Limited), and Long Lac Mineral Exploration Limited.

Together, these companies have uncovered estimated reserves totalling more than 76 million tons grading at an average .24 ounces gold per ton. Based on these estimates, three mines on the property will produce a minimum of 600,000 ounces of gold annually, an amount that could double Ontario's total gold output by the late 1980s.

The Hemlo gold field lies 35 km east of the town of Marathon on the northeast

The town of Marathon is preparing for a projected three-fold increase in its population, while Manitowadge is preparing to build 175 to 200 new homes

shore of Lake Superior. Forty to 50 companies are carrying out active exploration programs in the area following a staking rush of such magnitude that the Thunder Bay mining recorder's office had to triple its staff to keep up with demand.

This frenzied pace has yet to die down. George Patterson, Thunder Bay resident geologist with the Ministry of Natural Resources, reports 33,000 active claims in the Thunder Bay region, compared with 6,000 in "normal" years.

The majority of these claims, says Patterson, are attempts to apply the newly gained geological knowledge of Hemlo to areas with similar rock structure. Patterson has also received inquiries from geologists in the United States and overseas regarding the unique nature of the deposit.

While it can't be predicted whether the area will yield more than the three mines already announced, the number of man-days of assessment work in the field—670,000 last year compared with a usual 100,000 to 120,000—indicate a strong sense of optimism among participating companies.

Patterson points out that when he came to Thunder Bay two-and-a-half years ago, only one occurrence had been noted at Hemlo. Now there are well over 40.

At the three definite mine sites announced by Noranda, Teck, and Long Lac, development work is proceeding at a feverish pace.

Under an agreement signed with Golden Giant (the amalgamation of Golden Sceptre and Goliath), the Noranda mine must be ready for production start-up by early 1985.

Shaft sinking is underway to a target level of 4,600 feet, although there has been some delay because the company contracted to do the work, Cameron McMyne Contract Ltd., has gone into receivership.

Construction of the Noranda gold mill has not been affected, however. The mill will have an initial capacity of 1,000 tonnes per day, increasing to 2,500 tonnes per day by 1987.

The Noranda mine is sitting on estimated reserves of 21.6 million tonnes grading at 3 ounces gold per tonne and the property is still open to depth. At current rates, estimated mine life is in excess of 20 years.

Total capital expenditures to bring the mine and mill into production are approximately \$250 million.

Teck is currently erecting a headframe with plans to sink a shaft to the 3,000 foot level. A 1,000 tonne per day mill is also in the works.

Total estimated reserves on the Teck property stand at over 23 million tons grading at 28 ounces gold per ton.

Lac Minerals, which recently uncovered a dramatic increase in its overall tonnages, is still in the midst of a pre-production feasibility study.

Estimated reserves now stand at 42 million tons grading at an average .2 ounces gold per ton. While a mill rate has not yet been determined, current estimates call for a 4,000 to 6,000 tonne per day capacity, making Lac the largest producer on the Hemlo field.

With projections calling for a 1987 workforce of 500 at the Noranda mine alone, Hemlo has been good news for the surrounding commu-

nities of Marathon, White River, and Manitowadge.

The town of Marathon is preparing for a projected three-fold increase in its population, from 2,300 to 6,000. There are plans for a 741-unit housing development. The community is also preparing plans for a 50-acre industrial park, improved airport facilities, and a new shopping mall.

The town of Manitowadge is preparing to build 175 to 200 new homes this year in preparation for a population explosion from 3,300 to 5,000 by 1987. Since the community is already home to Noranda's Geco mine, the company has committed itself to housing 95 per cent of its employees there.

Northern Ontario's newest operating gold mine, Detour Lake, marked the pouring of its first gold bar September 29. A joint venture of Campbell Red Lake Mines Ltd. and Amoco Canada Petroleum Co. Ltd., this major new gold producer has been carved out of virgin wilderness 200 kilometres northeast of Timmins.

Detour Lake is sitting on estimated reserves of some 360 million tons down to the 1,800 foot level grading at an average .125 ounces gold per ton. This translates into an estimated 1.5 million ounces of gold over a projected 20 year mine life.

Production rate from 1983 to 1986 will be 2,500 tonnes per day from an open pit mine that will reach a depth of about 420 feet. Once underground operations come on stream in 1987, production levels will increase to 4,000 tonnes per day.

Developed at a cost of \$139 million, Detour Lake has resulted in significant benefits for surrounding communities, especially Cochrane and Timmins. An operating workforce of 290 is now in place and with the start-up of an underground mine in 1987, 500 workers will be required.

The Detour and Hemlo discoveries have resulted in an unprecedented staking

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Deiour Lake gold mine, 200 kilometres northeast of Timmins, is a joint venture of Campbell Red Lake Mines and Amoco Canada Petroleum

Lookout and Renabie Mine in Misanabie.

All of this activity means continued employment and economic viability for many Northern Ontario communities. Some 15 per cent of the North's total workforce is employed in mining and mineral processing. The industry employs approximately 40,000 people in the province and of this number, gold mining represents almost 10 per cent of the total.

The overall value of all minerals produced in 1983 in Ontario was \$3.5 billion, up 14 per cent over 1982. Gold

represents about 10 per cent of this amount, or the equivalent of 20 tonnes of gold annually.

While gold prices have declined from a record high of \$850 (US) per ounce in January 1980, the general consensus is that prices will rise by year-end, although not quite as spectacularly.

R.D. McCloskey, treasurer of Gold Institute Incorporated, an international organization with representatives from 15 countries, says while he doesn't see gold prices exploding in the short term, he does see them increasing by year-end to the \$500 range.

Both he and Dr. Tom Mohide, director of mineral resources with the Ministry of Natural Resources, cite a strong United States dollar as a major factor keeping prices at their current mid-to-high \$300 range.

Although gold prices are being affected by a myriad of other international events as well, experts are predicting that when the dollar drops, as it must in the face of a burgeoning American trade deficit, gold will once again recover its rightful place as a leader in international currency.

"Believe it or not, Northern Ontario is being envied all over North America," says Mohide.

rush in the North -- 70,000 recorded claims in 1983. That's more than double the 1982 total of 33,000 and 13,000 more than the previous record set during the uranium boom of 1955.

The greenstone belts near the Hemlo gold fields recorded the largest number

of claims. The Thunder Bay region recorded almost 16,000 claims staked and the Sault Ste. Marie region close to 15,000. This represents a 54 per cent and 50 per cent increase, respectively, over staking activity in 1982.

The Kenora region recorded a 600 per cent jump in the

number of claims staked -- from 1,600 in 1982 to 11,000 in 1983. The Sioux Lookout region experienced a 422 per cent increase from a 1982 total of 850 to 4,000 claims last year.

Gold's unwavering lure has also prompted the development of seven new

mines, although on a much smaller scale than Hemlo's three, in Northern Ontario.

Established producers, as well, embarked on expansion projects last year at Macassa Mine in Kirkland Lake, Dickenson Mine in Red Lake, Dome Mine in Timmins, Goldlund Mine in Sioux

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Diversification efforts paying off

By Tracey Bailey

In the wake of worldwide recession and a major restructuring of resource-based industries, Northern Ontarians are fortunate that efforts have been made to diversify the economic base.

In the past, not many Northern Ontarians paid attention to economic diversification. Now, virtually every community in Northern Ontario has an economic development agency and the results have been encouraging.

Northern Ontario is fortunate to have most of the building blocks required for diversification and a surplus

of well educated and well trained workers to put them together.

Among these building blocks are the needs of the primary industries -- mining and forestry -- which consume thousands of different products.

One of the most diversified cities in Northern Ontario is the city of North Bay. A four hour drive from Toronto, this city of 51,000 has attracted such notables as Dupont of Canada Ltd., Canadian Longear, Nordflore, J.S. Redpath, Canadian Morbak and Reichhold Chemicals.

Economic development commissioner Tom McGuire says there are a lot of one industry towns in Northern

Ontario but North Bay isn't one of them.

"We planned it that way. We're not interested in seeking out a big multinational or a huge automobile manufacturer. Our mandate has always been to help the small and medium sized businesses that have something to offer to North Bay and to other communities in the North," he said.

And attract them he does. Perhaps the most illustrious example is the H.D. Lee Company which McGuire lured to North Bay nine years ago. No one had bothered to tell McGuire that major garment manufacturers preferred to set up shop closer to their markets in Toronto or

"(Once) we have fully felt the impact of (modern) communications, we will see a lot more changes...more decentralization and more opportunities."

Dick Charbonneau,
Thunder Bay Economic Development Corp.

Montreal. Eventually, however, the city of North Bay and H.D. Lee, a company that manufactures jeans in Hong Kong, The Philippines, Belgium, Ireland, England, the U.S. and Canada, came to an agreement.

North Bay was chosen for its central location at the intersection of Highways 11 and 17. As well, the labour force met the company's needs and with the assistance of the federal department of regional economic expansion, the price was right.

"We are particularly proud of our skilled labour force which has a reputation of being peaceful and co-operative, skilled in a broad range of areas and not averse to retraining or

upgrading programs," said McGuire.

Not only does Lee manufacture jeans in North Bay, it also uses the city as a national distribution centre and staff head office. Every Lee product in Canada including goods made by contractors, goes through North Bay for quality control and allocation.

While a unique example, Lee is not the North's only garment manufacturer. Rainy River, a northwestern Ontario community of 1,000 is home to WeatherWear Inc., a snowmobile and ski clothing manufacturer. The company has several large contracts with the Arctic Cat Company.

Economic development officers have teamed up with

government-sponsored incentive programs to entice new businesses.

Of government grants McGuire has this to say: "We like to think that we provide the cake and the government provides the icing. Getting them here isn't the problem, having what they want is."

"The bottom line from potential investors," said Nick Evanshen, of the Sudbury Regional Development Corporation, "is always, 'Can I make money in this city?' So they want to know about taxes, construction in the area, what land is available, the cost and availability of skilled labour, the availability of services, transportation, the attitude toward new development, the cost of energy and, finally, what are other manufacturers doing in the area and what do they have to say."

Sault Ste. Marie is a border city, providing direct access to the American markets. The International Bridge is not as busy as many border crossings in southern Ontario and delays

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Indeed, resource management is a key part of the mandate of the Ministry of Natural Resources. We use "management" in its broadest sense -- for the Ministry in its stewardship role must not only deal with the

technicalities of managing such resources as timber and fur, but also must be sensitive and respond to the ever increasing demands being placed on Ontario's natural resource base. We must strengthen our resource base for the future, and achieve the greatest social and economic benefits possible for the people of Ontario from their resources right now.

The obvious value of Ontario's resources cannot be disputed. And only through continued sound management practices and a spirit of co-operation by all parties involved and interested in the area of conservation, can we hope to further cultivate the natural growth of our economy.



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at customs are shorter.

"If you want to gain access to the American markets, there's probably no easier place to do it than Sault Ste. Marie, Ontario," says Doug Leighton, the Sault's economic development commissioner.

Industries with particularly high energy requirements should also consider recent expansions to the Sault's private utility, Great Lakes Power Company. Leighton says the utility is very aggressive and can make energy costs very attractive for businessmen.

The availability of high quality educational and training facilities in Northern Ontario is also an attractive feature. There are university campuses in Sudbury, Thunder Bay, Sault Ste. Marie and North Bay, as well as five colleges with numerous campuses throughout the north.

Northern Ontario is also proving to be fertile ground for high technology industries.

Infonorth Computing Inc. of Sudbury, for example, is packaging information for worldwide teletext distribution. In Sault Ste. Marie, the office equipment firm McClelland-Dumanski is developing a computer software program for the medical profession. The program is called MEDPAC and will assist doctors and dentists with patient information and billing.

Likewise, Digital Engineering Inc. of Thunder Bay is designing and constructing microcomputers for special applications in industry. Another Thunder Bay company, G. K. Fleming, is also successfully designing software for the national market.

Opportunities for export development are also on Northern Ontario's horizons. Building blocks such as the Port of Thunder Bay, the country's second busiest port, are important in this regard.

Numerous companies are already exporting. These include Northern Breweries, with its head office in Sault Ste. Marie, Keuro International and Schauenburg Industries of North Bay and Burgess Power Train and Millor Drilling in Sudbury.

A subsidiary of Perard Torque Tension Limited, a United Kingdom manufacturer of world-renowned mining equipment, Millor

chose Sudbury as its North American headquarters.

In Sault Ste. Marie, Astro Electric has entered into a joint venture with two West German companies to produce electric motors for domestic and export markets. Astro's president Rudy Zayec will import the technology for production of the D.C. motors from Meyer-Elektro Motoren Farabik GmbH and Elektra-Faurneau Elektromaschinenbau and begin producing the prototypes in his plant next month. Eventually he hopes to produce parts for the motors which are presently not manufactured in Canada.

The manufacture of mining and forestry equipment and machinery has been burgeoning in communities like North Bay and the recent establishment of the Ontario Centre for Resource Machinery Technology in Sudbury will accelerate these efforts. Reputable companies like Berglund Industrial of Thunder Bay, Arc Tube Inc. of Sault Ste. Marie and Tamrock Canada of Sudbury, however, are making their presence felt in the marketplace already.

And you don't have to produce mining or forestry related equipment or machinery to survive in Northern Ontario. John Bisby of Thunder Bay for example, is successfully building aluminum boats while Simon Stanley in Perry Sound has designed a unique hydraulic boat trailer.

In Emo, a small community 150 miles west of Rainy River, they're manufacturing folding metal sawhorses while in Kirkland Lake, a community 155 miles north of North Bay, they're manufacturing disposable locks and barrier seals for shipping containers.

Thunder Bay's economic development commissioner Dick Charbonneau explains that, historically, Northern Ontario played second fiddle to the more populous areas -- the major centres where investment capital was generated. This was done by those who were suffering from, what he calls the Bay Street syndrome.

"The ruling philosophy was to have a strong central structure strategically located with the rest of the competition. Many compan-

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The cry of a loon echoes across the lake, a spectacular sunset bathes the horizon and, just when you least expect it, the tip of your fishing rod begins bobbing uncontrollably. It's an experience repeated many times over every summer day in Northern Ontario. And in the increasingly hectic pace of urban society, it's a scene that's becoming more and more precious all the time.

The peace and quiet of Northern Ontario and its wilderness resource is nothing new but, in a world increasingly dominated by skyscrapers, asphalt, and complex technology, it's reassuring to know that you can still get away from it all.

Catering to that need is big business in Northern Ontario. And the experts say it's going to get a lot bigger.

With mining and forestry jobs being lost as a result of improved productivity, Northern Ontario is counting on tourism to take up some of the slack. A prime example is Science North in Sudbury, a \$22 million science centre which promises to become Northern Ontario's number one attraction this summer when it is officially opened

by the Queen. Perched on a rocky point overlooking beautiful Ramsey Lake in the heart of Sudbury, Science North will attract an estimated 400,000 visitors and boost tourist spending in the community by \$11 million a year. A world-class facility designed by architect Raymond Moriyama, of Ontario Science Centre fame, Science North will create several hundred jobs and, at the same time, give visitors a taste of the wilderness that lies beyond. Visitors will enter the main, snowflake-shaped building through a long rock tunnel that leads into a huge underground cavern, where they will be treated to a 15 minute 3-D film created by award-winning photographers Chris and Frances Chapman. Together with tours of area mining facilities and boating excursions on Ramsey Lake, the hope is that more and more tourists will be tempted to spend some time in the city before heading off to other attractions in the region like the Polar Bear Express (a train ride from Cochrane to Moosonee), North Bay's Chief Commanda excursion on Lake Nipissing, the famous Agawa Canyon train ride north from



Sault Ste. Marie, the Chi-Cheemaun ferry from Manitoulin Island to the Bruce Peninsula, or the 30,000 Island cruise which

leaves from Parry Sound.

Northern Ontario offers a wide selection of vacation opportunities catering to every possible taste, from luxury resorts like Minaki Lodge, near Kenora, to fly-in fishing camps and canoeing outfitters.

Minaki, which was re-opened last summer after being closed for nine years, is a first class wilderness resort and conference centre offering nine holes of golf, fishing, tennis, watersports, fine dining and entertainment, plus a new 120-unit guest wing with rooms overlooking the Winnipeg River.

If Minaki is a little too rich for your blood, there are at least 1,000 other resorts from which you can choose -- including the little mom and pop-type camps, comfortable American plan resorts and the really secluded retreats

like Kwagama Lodge, which is accessible only by train or plane. Kwagama is located 114 miles north of Sault Ste. Marie near the Algoma Central railway line and does a brisk business year round.

For the really adventurous there are outfitters like Canoe Canada in Atikokan where you leave the comforts of home behind and really get a taste of the wilderness.

A good part of the year, however, Northern Ontario is covered with a thick layer of snow and long underwear is de rigueur. The vast majority of Canadians and Americans tend to dream of warmer climates in January and February but increasing numbers of people are learning that Northern Ontario winters can be a fun and invigorating experience.

Thunder Bay, for example, offers some of the best downhill skiing in the centre

Science North, a \$22-million science centre, will be officially opened by the Queen in July

of the continent with first class hotels and entertainment to match. The Winnipeg and mid-West states have proven to be the most important markets for Thunder Bay's ski hills but good snow conditions, reasonable prices and the absence of long line-ups should also prove more and more attractive to skiers in southern Ontario.



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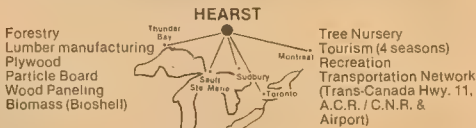
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Across the region, more and more American resorts are opening their doors year-round and catering to the cross-country ski crowd. One resort, in fact, Stokely Creek Lodge, a few miles north of Sault Ste. Marie, caters exclusively to cross-country skiers and shuts down in the summer.

Another important source of tourist dollars attracting more and more attention is the conference and convention business. Sudbury, which has been especially aggressive in going after this business, attracted 63,000 convention delegates in 1983, the city's centennial year. That's a lot of meals, hotel rooms and souvenirs -- \$21.3 million worth, according to the Sudbury Visitors and Convention Bureau. Thunder Bay, Sault Ste. Marie and North Bay have convention bureaus too and are hot on the trail of sporting organizations, professional groups and service clubs to experience Northern Ontario hospitality.

An increasing number of wilderness resorts like Lindmeier's North Shore Lodge near Dryden, Pine Portage Lodge near Wawa and Sportsman's Lodge near Sudbury are gearing up for smaller scale business meetings and conferences. As resort operator Rick Lindmeier says, "companies are beginning to realize that a big city atmosphere just doesn't lend itself well to successful meetings. Theatres, bars or whatever provide too many distractions. Here, their only distraction is the wilderness. Companies feel they're getting more return on their dollar from employees. People are more relaxed; they're sharper."

Although a lot is happening in Northern Ontario's tourist industry, the potential has hardly been dented. Europe for example, is a huge market that has barely been touched and one where the wilderness experience is an increasingly rare and saleable commodity. The phenomenal success of West Germany's Green Party is a case in point.

The odd business has gone after the European market-Oskar's Heyden Crafts Co. Ltd. in Sault Ste. Marie, which opens canoe excursions along the North Shore of Lake Huron for Germans is one example--but, for the most part, luring Europeans to Northern Ontario is a challenge beyond the meagre resources of the small, family-owned tourist operators.

The Province of Ontario through the Ministry of Northern Affairs has been quick to appreciate the importance of developing tourism in Northern Ontario and has provided funding and organized programs to help speed things along. It all comes back to one thing -- jobs.

As North Bay's new tourist and convention office, Ross Kenzie, says, "People are becoming more aware of the employment opportunities

held by tourism industries. We can't yet get a computer to make a bed or dispense a smile."

Estimates by the Ontario Ministry of Tourism and Recreation suggest that tourism is a billion dollar industry in Northern Ontario creating the equivalent of 30,000 full-time jobs.



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Forest industry recovers from recession

By Pat Johnson

At least 20 Northern Ontario communities are either wholly or partially reliant upon the forest products industry for their economic well-being. In Ontario as a whole, forestry accounts for some 64,000 jobs, products worth \$6 billion, and more than \$400 million in federal-provincial tax revenues.

Northern skylines are dominated by pulp and paper giants Abitibi-Price, Boise Cascade, Domtar, E.B. Eddy, James River-Marathon, Great Lakes Forest Products, Kimberly-Clark, MacMillan Bloedel, and Spruce Falls Power and Paper, along with the sawmills of Hearst and Dubreuilville, waferboard, and particleboard plants.

As recent multi-million dollar expenditures by pulp

and paper companies illustrate, the industry as a whole has no intention of abandoning its longstanding commitment to a healthy Northern economy.

Modernization has taken place at many Northern Ontario mills due in part to the Canada-Ontario Pulp and Paper Improvement Subsidiary Agreement, a government program designed to assist the industry in modernizing aging facilities.

Announced in February 1979, the agreement involves 20 Ontario pulp and paper mills, 16 of them in the North and approximate total capital expenditures upwards of \$1.6 billion.

Most mill projects have either concluded or are very near completion. Abitibi-Price Inc., for instance, completed a \$132 million modernization at its Iroquois Falls mill last year. That

Boise Cascade has recently announced it will resume a \$160 million modernization project at its Kenora paper mill

project included the installation of a new twin-wire newsprint machine.

E.B. Eddy Forest Products Ltd. has completed a modernization program at its Espanola and Ottawa mills worth a total of \$235 million. Great Lakes Forest Products Ltd. has made a total capital investment of \$425 million for modernization projects at its mills in Thunder Bay and Dryden. And Spruce Falls Power and Paper Co. Ltd. completed a \$88.2 million modernization last year at its

Kapuskasing mill.

Boise Cascade Canada Ltd. has recently announced it will resume a \$160 million modernization project at its Kenora paper mill this spring with completion slated for January 1986.

The Kenora project was put on indefinite hold in December 1982 due to poor market conditions. Since then, plans to construct a new thermal mechanical pulp plant have been deferred in favour of retaining and upgrading the company's sulphite and groundwood mills.

When complete, the Kenora mill will be able to produce 890 to 895 tons of newsprint a day. Current capacity is 790 tons.

The most recent agreement to be signed has been with James River-Marathon Ltd. which purchased the

Marathon pulp mill from American Can Canada Inc. last April.

The federal and provincial governments will contribute \$8.3 million towards the \$95 million modernization program. This is a continuation and expansion of modernization work started by American Can in 1980, originally slated at \$60 million.

Modernization of the 37-year-old mill will help stabilize some 600 jobs and will include: new wood yard facilities to allow increased use of chips from surrounding sawmills; energy conservation and congeneration projects to reduce the mill's oil and electrical requirements; various improvements to bring the mill into compliance with current environmental standards; and other measures to improve the mill's overall operational efficiency and product quality.

Also due for revamping, although not under the same government agreement, is the Abitibi-Price groundwood paper mill in Sault Ste. Marie.

The mill is being purchased by a three-company consortium headed by Dan

Alexander, a 36-year-old Chicago entrepreneur. The consortium will spend \$17 million to convert and upgrade the mill for the manufacture of supercalendered (SC) clay-filled paper. SC newsprint is of a higher grade than specialty papers now produced and is used mainly for high-gloss newspaper advertising inserts. The paper's superior quality has created a growing market in North America, yet few North American mills can produce it.

Northern Inc. of Chicago, of which Alexander is president, and Shieldings Investment Ltd. of Toronto will hold equal shares of the new company when the sale goes through April 9. The third principal is Nordic American Banking Corp. of New York City.

The 88-year-old Sault mill was the oldest of 13 Abitibi operations and it had been speculated for months prior to the February announcement that the company might close it down altogether.

The pulp and paper industry has been benefiting from gradual improvements in market conditions following a slump in 1982.

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Hampered by the recession, high customer inventories, and reduced market share, the industry's overall average operating rate on a national basis was about 80 per cent in 1982. By year-end 1983, increased shipments of all products boosted operating capacity to about 90 per cent and this figure is expected to remain steady or slightly higher through the current year, according to the Canadian Pulp and Paper Association.

Total shipments reached 20.2 million tonnes in 1983, an increase of 2 million tonnes or 11 per cent over depressed levels in 1982. This year, the Association is predicting total shipments by Canadian pulp and paper industry will rise to 21.8 million tonnes, an increase of 8 per cent over 1983.

Prices have also been improving for Canadian producers. Newsprint has been selling at \$500 (U.S.) per ton since the first of the year, coming back from a low of \$468 (U.S.) per ton set by American-based Kimberly-Clark late in the third quarter of 1982.

Lumber prices, while not expected to soar to June 1983 levels of \$380 per thousand square feet for better grade lumber, are predicted to recover in the spring from their current level of slightly more than \$300 to \$340 or \$350.

Although an attempt by southern and western United States lumber producers to impose an import quota on Canadian lumber failed last year, the industry fears that these same producers may again try to pressure Washington.

In light of potential restrictions to their major American markets, Northern lumbermen are becoming increasingly interested in overseas exports to Europe and the Middle East, possibly via a revitalized Michipicoten harbour at Wawa and through the St. Lawrence Seaway.

In order to penetrate overseas markets, the industry would first have to outfit itself with equipment converted to metric measurements from the current Imperial system. To make conversion easier if the need should arise, some sawmills are looking at modernizing their operations through the addition of computerized sorters, scanners, trimmers, and edger-feeders.

Lecours Lumber near Hearst, for example, is installing a \$1.5 million, 45-bay computerized lumber sorter to replace its hand-sorted green chain system and an E.B. Eddy sawmill near Timmins has installed a computerized scanner.

Like other forest products sectors, Northern Ontario's compositeboard industry has been experiencing gradual recovery since the devastating 1982 recession.

Within the waterboard industry, total exports from Ontario reached 230,199 cubic metres by the end of November 1983, compared

with a dismal 126,333 cubic metres the previous year.

The particleboard sector has also shown signs of recovery. Average operating rates at Ontario mills are now up to 80 per cent, a considerable improvement over 60 per cent levels in 1982.

Northern Ontario is home to five waterboard operations: Grant Waterboard in Englehart; Great Lakes Forest Products in Thunder Bay; MacMillan Bloedel in Thunder Bay; Waterboard Corp in Timmins; and Weldwood of Canada in Longlac.

Of 12 particleboard manufacturers in Canada, five operate out of Northern Ontario: Plywood Manufacturing Inc. in Atikokan; Levesque Plywood in Hearst; Mallette Wood Products Ltd. in Timmins; Rexwood Products Ltd. in New Liskeard; and Donatari Construction Materials in Huntsville.

While conditions have improved since the recession, both industries are grappling with the problem of oversupply in the marketplace.

Waterboard competes primarily with softwood plywood. The industry now has an overall 17 to 24 per cent penetration in the Canadian market but in the United States, which consumes 95 per cent of waterboard products, penetration is less than two per cent.

The industry is aggressively attempting to increase its U.S. market share. If penetration can be raised close to Canadian levels, Northern Ontario's waterboard mills could increase their operating rates dramatically and new mills could be built.

The particleboard industry is faced with low product prices and limited market potential. While prices seem to have stabilized this year, the high density nature of particleboard makes transportation to distant domestic or foreign markets economically unfeasible.

Particleboard manufacturers are now being forced to consider broadening their product range in order to capture new markets.

None of these forestry sectors would be viable if it weren't for the North's seemingly endless tracts of timber. In order to preserve this non-renewable resource, the industry and the provincial Ministry of Natural Resources have been entering into Forest Management Agreements since 1980.

The agreements are contractual documents involving the Crown as forest landlord and individual companies as tenants.

The FMA requires that companies regenerate cutover zones utilizing their own manpower. The ministry will reimburse companies for costs of growing, planting, and tending seedlings up to an agreed-upon estimate.

Industry and the ministry have signed 19 FMAs so far and the ministry hopes to



Pulp and paper industry shipments to increase 8 per cent this year

have a total of 30 by 1985.

To satisfy burgeoning demand for tree stock, the ministry is advancing private growers 50 per cent of an agreed-upon capital cost for expansion or construction of tree nurseries. By year-end, the ministry hopes that public and private nurseries will be producing 190 to 200 million tree seedlings annually.

This commitment to ensure adequate fibre supplies for future harvest, massive capital expenditures to place mills on a more equal footing with international competitors, and a generally bullish outlook for all product sectors, is proof that the North's forest industry is ready, willing, and able to meet whatever challenges lie ahead.

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Base metal mines make productivity gains

Though overshadowed a lot by the spectacular gold discoveries of Hemlo and Detour Lake, base metals remain the cornerstone of Northern Ontario's mining industry.

Of roughly 40,000 people employed by mining and mineral processing in the province, some 25,000 have jobs with Northern base metal mines, and this isn't counting the thousands of jobs created by a myriad of service industries.

While the base metals industry is generally strong, a reversal in the growth rate of the world economy has resulted in reduced consumption, increased competition from less developed countries, and low commodity prices. This, in turn, has forced many companies to adopt a lean, tough approach to their operations.

The nickel industry, in particular, has been feeling

the crunch. The annual average growth rate in consumption was 6.5 per cent during the 25-year reconstruction period following World War II. This has now shrunk to about two per cent and is likely to remain at this rate until the end of the century.

At the same time, the number of nickel producers around the world has grown from three in 1950 to more than 30. The result has been overcapacity and low prices. In an effort to combat these international trends, Falconbridge Ltd. has been undergoing cost-cutting measures for the past two years. The company's Sudbury workforce has been trimmed at all levels from more than 4,000 in June 1982 to about 2,700.

Other operations within the Falconbridge Group have been affected in similar ways. The refinery in Norway

Falconbridge Limited's cost of producing a pound of nickel in 1983 was about 30 per cent less than in 1981

went from about 1,200 employees to less than 900; Falconbridge Dominicana from 1,900 to 1,050; and head office in Toronto from 250 to 122. The Metallurgical Laboratories in Richmond Hill underwent a staff reduction from 85 to 37 and the lab itself is being relocated to existing facilities in Sudbury and Lakefield. Corporate philosophy has changed as well. The company has turned away from its traditional avenues of debt financing towards equity funding. Falconbridge

executives no longer automatically fly first-class and only essential delegates are sent to national conventions.

These cost-cutting measures are having a positive effect. The company's cost of producing a pound of nickel in 1983 was about 30 per cent less than in 1981. And for the first time in nine quarters, Falconbridge officials were able to report a profit -- \$12.1 million, or \$1.74 per share, in the fourth quarter of 1983. This allowed the company to reduce its loss for the year to \$18.4 million, or \$2.71 per share, compared with a loss of \$85.3 million, or \$17.12 per share, in 1982.

Still, the company says it needs even higher productivity and higher prices before it can count on regular profits.

Inco Ltd., the giant in the nickel industry, is also

adapting to new market forces.

Total world-wide employment levels at Inco have been reduced by over 26 per cent since year-end 1980. At the company's Sudbury operations, this has resulted in the layoff of 3,000 employees and a further reduction through attrition at a rate of roughly three per cent per annum.

Inco is also increasing its application of less labour intensive bulk mining methods. These methods, which were used to produce one-third of Inco's mined ore in 1982, produced more than half of the ore mined in 1983 and are expected to produce over 65 per cent by 1985.

This bulk production method, called vertical retreat mining, can more than double productivity in a mine wherever it can replace traditional cut-and-fill methods.

More productive equipment is also being introduced. For example, Inco has developed a large diameter drill that makes vertical retreat mining possible in areas where it was not previously feasible. Remote-controlled scoop trams have

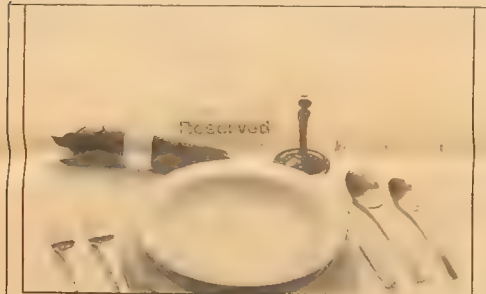
been introduced as well.

Its Copper Cliff North Mine, in the Regional Municipality of Sudbury, has been reactivated as a commercial-scale underground mine research facility.

Productivity improvements are also affecting Inco's surface operations. They include organization and job restructuring, improved operations and maintenance schedules, increased automation and computerization, product mix and facility rationalization, and conservation of energy and supplies. As a result, the company has been able to sustain its levels of production with fewer furnaces and converters and reduced overtime.

Inco's overall objective is a 50 per cent improvement in labour productivity at its Canadian mines and a 25 per cent reduction (in constant dollar terms) in unit mining costs of copper-nickel ore by 1985.

Already the company seems well on its way to meeting its goal. Actual unit costs to produce nickel-copper ore in 1983 were at about the same level as in 1981. This was achieved



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despite inflation and an approximate 14 per cent reduction in production levels. In 1984, Inco expects its average unit costs to decrease even further to about five per cent below 1981 levels.

Productivity improvements within the company are essential. Inco incurred a net loss of \$234.9 million, or \$2.69 a share, in 1983. This comes on top of a loss of \$203.3 million, or \$2.81 a share, in 1982.

Other base metals mined in Northern Ontario are faring slightly better than nickel. Mike Hughes, vice-president of sales with Kidd Creek Mines Ltd. which oversees a huge base metals operation in Timmins, reports that zinc is extremely strong and in good demand. Kidd Creek produces some 120,000 tonnes of zinc annually and Hughes says that consumption is way up in the company's major domestic and American markets.

Ontario's major uranium producers, Denison Mines and Rio Algom in Elliot Lake, are assured a major market for their production thanks to long-term contracts with Ontario Hydro. Both mines have recently completed major expansion projects worth more than a total of \$975 million.

Copper, on the other hand, is not faring quite as well. World capacity is currently far in excess of demand, largely due to mineral developments in the Third World. Hughes says copper prices are now running at roughly 64 to 65 cents a pound. Major producers like Kidd Creek (90,000 tonnes annually) would like to see prices closer to \$1 a pound.

Like copper, the North's iron ore producers are facing an extreme drop in demand. Due to poor markets for iron and steel, operations like Kirkland Lake's Adams Mine are running at well below capacity. The Adams, for



Falconbridge operations in Sudbury have cut costs to the bone in response to low prices and stiff competition

example, has a production capacity of 1.2 million tons of iron ore a year but only 850,000 tons were produced in 1983.

Despite depressed market conditions for many of the North's base metals, Dr. Tom Mohide, director of mineral resources with the Ministry of Natural Resources, believes the current situation is temporary.

"Northern Ontario's mining industry doesn't have to do anything that it's not already doing," says Mohide. "The important thing to remember is that our mines are going to be here for a very long time. This doesn't mean that mines won't shut down or that new mines won't open, but the net amount will be here for many decades."

"Some mines are getting bigger, as in Elliot Lake, and some are getting smaller, like Inco. But none of them are going out of business. The industry has slimmed down, increased its modernization efforts, and overall has become much more competitive."



Fort Frances Kraft Mill

...diversification efforts paying off

From Page 5

ies paid the price for this philosophy, however, and missed good opportunities and business prospects.

"Thankfully, business conditions are changing as our attitudes and Northern Ontario is coming on strong. Advancements in telecommunications have a lot to do with it. I think once we have fully felt the impact of communications in particular, we will see a lot more changes -- more decentralization and more opportunities," Charbonneau said.

For the most part, potential investors like to see manufacturers or industries who have set up shop in the North speak for themselves.

The Meilleur family in Aitkenburg has been successful with Tuff Craft wooden toys. Ken Green in South River is gift wrapping maple syrup. John Farquhar is making portable buildings in North Bay. Alex Kathy is making waterbeds in Sudbury. George Masters is producing fire extinguishers in Sault Ste. Marie. Don Sayer is manufacturing ornamental polished rock products in Kirkland Lake and Gerald Shepherdson is creating custom fibreglass products in New Liskeard. They can't all be wrong.

The list of those who are only too happy to step forward and be counted is endless.

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Northern



In order to fulfil its mandate, the Ministry of Northern Affairs sets program priorities for Northern Economic Development, Northern Transportation, and Northern Community Services and Development, programs affecting the economic and social lives of all Northern Ontario residents.

Under the Ministry's current estimates, more than \$158 million is being directed into these programs.

Northern Economic Development Program

The overall goal of this program is the stimulation of economic growth and diversification, through the construction of new and improved resource roads to access forests, minerals, tourist attractions and isolated communities; increasing economic activity and employment by improving and increasing the effective utilization of renewable and non-renewable resources; spurring local level development by providing funds

and professional staff assistance to help communities identify and pursue new business opportunities.

Northern Transportation Program

MNA works closely with the Ministry of Transportation and Communications in maintaining and expanding the 10,000 km northern highway system; by constructing airports in remote communities; by providing financial assistance to the Ontario Northland Transportation Commission, to help it operate a modern transportation and communication system, including non-Ontario, and rail and ferry services in north-eastern Ontario

Northern Community Services and Development Program

Under this essential program, Northern Affairs assists communities to develop basic health, social, cultural and physical services.

MNA provides a unique "one-window" access to government programs and services through the Ministry's 29 Northern Affairs Offices across the North, with additional

priorities



support provided by regional offices in four major centres.

Under the Community Infrastructure Program, MNA assists with the development of water and sewer works, and the enlargement and construction of municipal airports.

MNA provides capital assistance under the Unorganized Communities Assistance Program, for community projects such as the purchase of firefighting equipment and the provision of a community well. Northern Affairs assists the Local Services Boards to operate basic services, such as sewer and water street lighting, recreation and fire protection. Capital funding for equipment

enables isolated communities to receive and rebroadcast TV/Ontario satellite signals.

The Ministry supports the continuation of the Northern Ontario Air Ambulance Program by providing a \$4 million contribution each year.

These priority programs are developed and supported with the immediate and long term needs of northern communities and residents in mind. Effectively implemented, they enhance and improve the overall quality of life for all Northerners.



Ministry of
Northern
Affairs

Hon. Leo Bernier
Minister

David Hobbs
Deputy Minister

Minister of Northern Affairs

Interview with Leo Bernier

How do you feel Northern Ontario is progressing economically? Our forest industry seems to be picking up and gold is certainly strong, but at the same time base metals are in a slump.

I'm encouraged, really. Housing starts are up 11½ per cent in the United States, so that's a very encouraging sign that our lumber sales will be maintained. The problem in B.C. has affected the prices, as you well know, so there has been some slight increase which has been welcome news to Northern Ontario sawmill operators, although the present strike doesn't help our situation. I hope that that labour problem can be resolved very, very soon so that we can get back into production. On the pulp and paper side, we are very dependent on the world situation. Here again, I think we made the right decision when we got into what some people thought was an expensive modernization program where we put about \$160 million dollars into the private sector's hands and sprung loose about \$2.4 billion worth of their capital dollars. That was done prior to the recession and as I said just last week, in my mind and I'm sure in the minds of many people in those pulp and paper towns, it was the right decision because there wasn't one mill that was shut down during the recession, which is a good sign that we now have modern mills and we are in a competitive position with regard to other mills in the United States and around the world. There was some concern prior to that modernization program that we were slipping and we were getting into a very precarious position. But that's behind us now. I think we've got a very modern pulp and paper industry although in some instances there are fewer employees because of modernization and new technology which gives me some concern. I have to admit that. But we're working as hard as we can to offset any reduction in employment opportunities that have occurred, like in Trochu Falls and Kenora, particularly. Dryden is in a good position because of a major expansion there by Great Lakes Forest Products. I'm also encouraged that there's still interest from the private sector in the pulp and paper industry as we've seen in Marathon, where James River has now picked up that plant. And the Abitibi plant in Sault Ste. Marie is now being sold so there are still people in the private sector who have faith in the pulp and paper industry.

The forestry aspect of it is very encouraging. I think there's a lot to be done with regard to regeneration and forest management, although we've come a long way in the

Minister of Northern Affairs
Leo Bernier was interviewed in his Toronto office by Northern Ontario Business staff reporter Pat Johnson



last six or seven years. I'd like to see a greater involvement by the federal government with some of their resources because they are one of the biggest benefactors through tax dollars and I think they should be spending more of their money in co-operation with the provinces. That's right across Canada. They have a responsibility as well as the provinces. We may have a responsibility to manage the resources but when it comes to the fiscal end or monetary aspect, they share in the benefits so they should share in some of the responsibilities too.

With mining, as you correctly pointed out, base metals are of some concern. Gold, however, is very exciting. I think we can take some comfort in the fact that last year we had one of our greatest years for exploration activity across Northern Ontario. I look at Detour Lake, I look at Hemlo, I look at the Cameron Lake area in the Kenora area. They're all active and there's drilling going on in many of the old mining sites across the Northwest — areas that I knew when I was a boy, really. My father was at places like Jackson Manoyon and Hudson Path. They are all being re-examined.

Nickel, and other base metals, of course, are tied to the world situation. The economy is not coming out of the recession as fast as a lot of us had hoped or anticipated. It's starting to level off. I hope there's no prolonged interest rate hike in the wind because that may further dampen the economy and will have a direct effect on Northern Ontario. Forestry and mining are so vulnerable to outside pressures. We've come to, I guess, weather the storms over the years. We're a little late in feeling the effects of a recession and then we're a little later, of course, coming out of it. I guess if I have one concern it is the reduction in the number of jobs, the loss of employment opportunities as a result of modernization in the pulp and paper industry, the mining industry and the sawmill industry. I have a concern for the youth of Northern Ontario. We have to do everything in our power at every level of government and, of course, in co-operation with the private sector — we have to make sure the right training programs, retraining programs and vocational opportunities are made available to keep our kids

"We have the resources, we have the knowledge, we have the people who are able to develop small industries and small businesses within each community."

in Northern Ontario. We just can't afford a brain drain. It's all right to have modernization but with modernization comes other effects we'll have to respond to.

What about tourism. Do you see it taking up much of the slack?

Well, last night I spent about four hours at the Toronto Sportsmen's Show and we have something like 80 operators from Northern Ontario down at what is the largest sports show in North America. I travel extensively to the sports shows in Chicago, Milwaukee, Minneapolis, and Detroit. They all envy the numbers of people that come to the Toronto one. It's well organized and they get hundreds of thousands of people through there. So it's an ideal place for people, particularly from the Northeast to come down and sell their vacation packages. I'm most impressed by the quality of their displays and the thrust they're taking. They're not just selling the hunting and fishing family vacation package. They're selling both summer and winter. You see more and more tourist operators moving into a winter vacation experience — skiing, ice fishing, and all the things that go with winter vacations. That's encouraging because I think that's the route we have to take. There is a limit to what we can put on the resources, such as hunting and fishing. There's still a little bit of flexibility there but we

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have to shift to some destination sites, specific types of vacations, and family vacations. I'm going to Minneapolis at the end of the month to meet with those operators that come from the Northwest. It gives me an opportunity to get a feel for what the operators think the season will be like. Last night, they were very, very optimistic. Last year, they had a fairly good year and they're looking for a better year in '84. Everyone, without exception, is looking for a better year. They're actually taking orders. It's all right to have people interested but when they're putting their money on the line for a vacation package, then you're sure they're going up. So it's that kind of measuring stick that I use and I think with our thrust, the government's thrust, and, of course, with our bi-centennial celebrations that go right across the province, with the Queen coming to Sudbury to open Science North and with the Pope coming, although he won't be coming to Northern Ontario specifically, it'll create an atmosphere within this province that will make 1984 one to remember as a good tourist year.

Is there a trend towards destination resorts? Is that the sort of thing we're going to have to see more of to develop our full potential?

There's no question about it. We've seen Minaki Lodge. We've seen Old Fort William. King Mountain is now being talked about extensively in the Sault Ste. Marie area. Maybe someday we'll even resurrect Maple Mountain if we ever get that land claim settled. I think the travelling public wants to set their sights on a specific area or a specific place to visit. What we're looking at now is an archeological dig in the Nipigon area that will focus some attention around that type of interest. The rock hounds flock to the amethyst mine in Thunder Bay. It's unique to Northern Ontario and we should be promoting it. So we have a good package with regard to recreation and vacations in Northern Ontario. We've got to do and continue to do a good selling job. That's what our efforts have to be concentrated on.

Do we need more Minakis?

I think if we go that route we should encourage the private sector. I certainly wouldn't be one to encourage the government to get involved in the development of another Minaki Lodge. As you know, we kind of backed into that. It was foreclosing on a loan the government had made originally. I don't think it was ever the government's intent to get involved in the hotel business but now we're into it. It's there. It's operating, and being operated by the private sector. That has to be the key. I think King Mountain is the right way to go -- when the private sector really pulls together its resources and the government gives the support by providing infrastructure.

Do you think King Mountain will ever come to be?

Yes, I'm encouraged. I understand that the principals have cranked up their efforts again. I think there's some interest from off-shore investors in the King Mountain development and, hopefully, that will materialize because the government has set aside \$19 million for the King Mountain proposal whenever it gets off the ground. So if they get their house in order, the government's committed to be there. And marketing surveys, of which my ministry paid a third, are very, very positive.

Has the ministry's focus been drawn away from social and cultural programs more towards straight economic diversification?

I think the other way around. We've been involved in economic development for a considerable time now. I guess if you include the infrastructure, we have been very heavily into sewer and water projects. When you look across Northern Ontario, you see all the major requirements in the five major centres. Sault Ste. Marie, for example, is well underway now with a \$60-570 million sewer and water project. All of our major centres have good infrastructure. We've also assisted many communities with the development of industrial parks and the development of commercial land to attract industry. So I think we have pretty well fulfilled that need. We've shifted slightly so that we're now working with the municipalities in economic development, trying to diversify their economic base. We have an economic development program whereby we assist the municipalities in establishing an economic development commission, doing their own profile of their community, and getting some feel for what the people in that community want over the next 15 to 25 years.

Is that the Northern Community Economic Development Program?

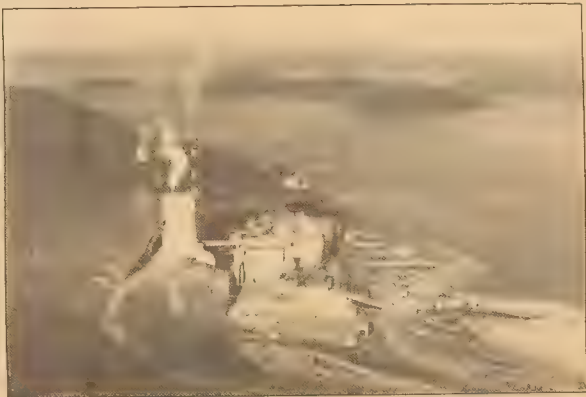
Yes, it's really taking off. However, we have to be realistic about diversification. Everybody wants a broader economic base. And the competition is really severe because you get 200 odd communities of different sizes trying to attract new industry. I'm one who's convinced that we have to try to concentrate on home-grown industry. I think we have the

"I tell the doctors when I talk to them, 'Go up to Northern Ontario, spend a year, buy yourself a skidoo and an outboard motor and you'll never come back to southern Ontario.'"

resources, we have the knowledge, we have the people who are able to develop small industries, small businesses, within each community. I don't think we're going to get a

massive influx of people from the outside moving say from southern Ontario and setting up industries in the small communities of the North. It's not going to happen. We have to accept that. So we have to use our own ingenuity, our own imagination, our own creativity at the local level to see what we can do in those areas. It might be the development of a cottage industry where people actually do the work within their own homes. We see this at Minaki now where a small firm is making heavy wool sweaters. Women are knitting them in their homes. That type of thing. Two years ago, I went to Northern Italy and I was absolutely amazed at the number of cottage industries there. Even in furniture. There was a central receiving and marketing agency that looked after the marketing and quality control. I think those are the areas that we should be examining and concentrating on and trying to develop.

See Page 16



On April 23rd, 1983 the bleached hardwood and softwood pulp mill facility at Marathon, Ontario became part of the dynamic James River Corporation family. By means of an aggressive \$95 million modernization program, plant capacity will be increased from 168,000 tons per year to 185,000 tons per year by 1988. The program includes rebuilding the bleach and causticizing plants, installing new wood and chip handling facilities, general improvements to the pulp machines, energy conservation and cogeneration projects to reduce the mill's oil and electrical requirements, various environmental projects and other measures to improve the mill's overall operational efficiency and product quality.

James River - Marathon, Ltd. is pleased at becoming Northern Ontario's newest Corporate Citizen in the pulp and paper industry. Our primary mission is to ensure our mill will become self-sustaining and regain viability in the long term and all our resources are being directed toward achieving that goal in a professional and progressive manner.

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JAMES RIVER-MARATHON, LTD.

...interview with Leo Bernier

From Page 15

We've had some success in the Atikokan area as you well know. I think that's a real success story. Fort Frances has been very successful in attracting smaller industry. North Bay, I think, is tops. That industrial commission there has done remarkably well. Even Parry Sound is going out, trying to broaden its economic base. So diversification is on the minds of every municipal leader. I think one of the things that's encouraging is that the municipal leaders are seizing on this opportunity and they're becoming aware of the need to diversify.

The Ministry of Northern Affairs is still involving itself in social and cultural efforts.

The air ambulance system is one area where we have been very active. Our involvement with TV Ontario in bringing their programming to 170 pockets of population has been very well received. We've never been involved in assisting the ministry of education with the unique needs of Northern Ontario but we will be. We'll be providing some resources to the smaller schools, secondary schools particularly, to bolster their programs, particularly in the vocational and training areas. Our resources will be going specifically to those small secondary schools that are some distance removed from the major centres, like the Schreibers, the Terrace Bays, the Red Lakes, the Ear Falls, the Sioux Lookouts. They need some special infusion of funds. So we'll be moving in that direction. We've done exceptionally well in our medical recruitment program where we assist municipalities in sending down recruitment teams to the

"We've done exceptionally well with our medical recruitment program..."

medical schools and the colleges and talking first-hand to the graduating students and encouraging them to come to Northern Ontario.

How well is the recruitment program working? There are still communities like Pickle Lake that are without full-time physicians.



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Hon. Leo Bernier, Minister

The program has worked well but how do you keep somebody on a long term basis in Pickle Lake? People there are upset because they have a rotation of doctors. But I don't know how we get over that, really. Some people are just not prepared to stay in a small town of 500 people. They want to broaden their knowledge, they would like to meet with other practicing medical people so they can broaden their experiences. To be up there all alone is very difficult, so they stay up there for two or three months then they come back and move around. That's a problem we have to face. We're answering needs in many of the communities by assisting in the movement of specialists like gynecologists from the Thunder Bay and Sault Ste. Marie areas, who are flown to the small communities.

These problems we're having recruiting doctors comes back to one thing -- an image problem. Are things changing? Are people in southern Ontario seeing us any differently?

I'll tell you, when I first came here (Queen's Park) 17 years ago and I told them I was from Hudson, they'd say where's Hudson, and I'd say, well, it's near Sioux Lookout, and they'd say where's Sioux Lookout, and I'd say it's near Dryden and they'd say where's Dryden, and I'd say, near Kenora, and they'd still have a blank look on their face. Then I'd say it's 250 miles east of Winnipeg. I think that's what's lacking with some of the people in southern Ontario. They don't realize that you and I sitting here are 50 miles closer to Halifax, Nova Scotia, than we are to Kenora. I keep repeating that but they can't believe it. I say, lookit, Jacksonville, Florida, is closer to Toronto than Kenora is. They know where Jacksonville, Florida is. They know where Halifax is, but they don't know where Kenora is. They have no conception of the distance. Many people think the Manitoba border starts at Thunder Bay. They don't know that there's some 350 miles from Thunder Bay to the Manitoba border. They can't believe it that it would take you a day to drive from Thunder Bay to the Manitoba border. I guess the educational system should be improved. I think that our children in the schools of Northern Ontario are far more familiar, far more knowledgeable of southern Ontario than southerners are of Northern Ontario. They look at it as though it was just a cold, forbidding, resource area, with igloos...that we don't even have sidewalks. I still get teachers asking me, well, do you have telephones up there? Do you have television? Are the roads open in the winter? In 1984. It's hard to believe.

Has the Ontario North Now pavilion at Ontario Place helped?

It's been part of our efforts to try to turn that attitude around. I accept as many invitations as I can even to the service clubs here, to the Rotary clubs, to tell them about Northern Ontario. But, boy, it's a long, long process. After all these years, I think I've made some progress and then I run into a group that hasn't got a clue about Northern Ontario. It's a little discouraging.

What are some of the things you tell people when they ask you about Northern Ontario?

I dwell on the quality of life. I live in Northern Ontario. I've been born and raised there, and I intend to retire there, if I ever retire. We have excellent educational facilities. We have Laurentian University, we have Lakehead University, we've got good high schools, we have all the amenities of outdoor life. We don't have the O'Keefe Centre. We don't have a domed stadium, or the CNE but we've got a lot of other things to compensate for them. You don't have to travel two or three hours to get to the wilderness or the outdoors. It's at your back door. And I think it's just a great place to raise a family and I make that point clear. If you're raising a family, there's no place better than Northern Ontario.

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For further information, contact Bob Manuel, Community Relations Officer, Town of Elliott Lake, 45 Hillside Drive, N. (705) 848-2287.

What makes the North a good place to do business?

I think the opportunities are unlimited in Northern Ontario. If anything, competition is not as keen. I think for anybody who has any imaginative abilities, creativity, and who is willing to work, there are golden opportunities in Northern Ontario. There are opportunities in practically every field if somebody wants to move up there. I tell the doctors when I talk to them, go up to Northern Ontario, spend a year, buy yourself a skidoo and an outboard motor and you'll never come back to southern Ontario. And some of them don't. I think that's what our efforts at Ontario North Now are structured to do, to tempt them to go there and see what it's all about. I don't think we can stop in our efforts to promote what we have in Northern Ontario. My colleagues are all working on the same effort. Alan Pope, Russ Ramsey, and all of the backbenchers are constantly extolling the benefits of Northern Ontario. And they all live up there. They don't live in Toronto. They all go back every weekend. So that speaks well for them too. They're not like our federal people. Our federal people live in Ottawa. Our provincial people go home.

The Ministry of Northern Affairs is the only ministry in Ontario with responsibility for a specific geographic area. What role has it played in the overall development of the region?

I guess the creation of the Ministry of Northern Affairs was one of my finest hours in political life because it was given a mandate to deal with a specific region of the province that is near and dear to my heart. To have a ministry to respond to the unique and special requirements of Northern Ontario is very, very satisfying from a political point of view and I hope that we are answering the needs of the public at large. Our Northern Affairs officers -- there are 29 of them across the north now -- are answering those very special needs, and when I see other jurisdictions coming to us and wanting to know how Northern Affairs really operates in that vast area of the North, then I know somebody has got the message. I can tell you that I try as hard as I can to see we get our fair

share for the north, and I'm grateful for what we've been able to do. The government has recognized that there is an area of special need in Northern Ontario and they're answering it.

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Bob and Pat Stirling

Elliot Lake

"The good life here in Elliot Lake is one of our best kept secrets," admits Bob Stirling, an energetic 39-year-old entrepreneur. As far as he and his wife Pat are concerned, they have it all. A successful business and a satisfying career, good health, two sons and a 30-foot sailboat on the shores of Lake Huron.

Neither of them have ever felt isolated living in a mining community of 20,000 located midway between Sudbury and Sault Ste. Marie. Not when you can spend weekends shopping in Toronto or a week skiing in Banff. Certainly not when the town offers so many different activities for both kids and adults.

"You have a choice of what you want to do," says Pat. "Everything is so close, whether it's swimming, skating, skiing or going to the beach in the summer. And

the cost of everything is so reasonable." In fact, everything is within minutes from home, including the curling rink, tennis courts, golf course and the riding stables.

"Sure, you can do the same things in Toronto," Bob concedes, "but you have to earn that much more just to take advantage of everything. Keeping a boat at the North Channel Yacht Club is costing us about \$400 a year. Even if we only use it for a week or two and a few weekends in the summer, I don't feel I'm squandering it."

On weekends when the Stirlings aren't sailing, they're attending a run on the local circuit. Bob and his sons Michael, 17, and Chris, 11, compete in events like the gruelling Triathlon held in Gaylord, Michigan, while Pat joins the pit crew and cheers them on.

Throughout the winter months, the family travels from one swim meet to another, including the provincial finals of the Triple A Division in Eriochrome. Both boys played hockey for several seasons but were disillusioned by the roughness of the sport and began to channel their energies into competitive swimming.

Pat has been coaching the Elliot Lake Aquatic Club for the past three years and says there are many excellent speed swimmers in the club. But, then again, the annual membership fee of \$150 for 11 hours of practice each week is within the reach of most families in town.

Elliot Lake is better off than many other communities because of the excellent and affordable recreational opportunities. Most of the facilities have been built with the generous support of the two major employers, Denison Mines and Rio Algom Ltd., as well as other businesses in town. And they are maintained by a strong community effort with people like Bob and Pat



Bob and Pat Stirling: "We get to live here all year long"

serving on committees and volunteering their time.

Education is also important and, here again, Northern Ontario ranks high up there. Pat, who teaches special education, knew all along about the quality of education in Elliot Lake. Still, she was surprised to learn that son Michael was well ahead of the other Grade eight students when he served as a page in the Ontario legislature.

Bob spent his boyhood years moving from one mining camp to another across the Canadian Shield before his family finally settled here in 1958.

After graduating from Laurentian University in Sudbury, Bob returned to Elliot Lake. He spent the next 10 years as a teacher, administrator and eventually chairman of post-secondary education for Sault College. By that time, however, he had grown restless and was looking for a new challenge.

In the fall of 1976, Bob joined Chemnorth, a Sudbury wholesale supplier of cleaning and janitorial products. As a regional sales man, he did very well. However, when he approached Chemnorth about expanding the business, there was no interest.

Not about to waste such an opportunity, Bob created his own company, Quercus Enterprises, named after the sailboat he mortgaged to raise capital for his new venture. He continued his association with Chemnorth and used their products. When Chemnorth ran into financial difficulties, Bob bought the company.

Within five years, the two businesses have grown into a million-dollar concern. Bob supplies everything from garbage bags to specialty items such as urethane foam to seal off underground passageways. His employees clean 150,000 square feet of office space every night and heavy industrial equipment during the day. And his business has expanded along the North Shore from Sudbury to Sault Ste. Marie and north to Timmins and Kirkland Lake.

Bob admits that the key to his success is more than just a certain amount of skill, business savvy and ambition. It is also a combination of luck and the unusual needs of the mining industry. "Their necessity is always my opportunity," he explains.

And success is often its own reward: "I still get a kick out of every dollar I make. And I've never had so much fun in my life."

Like most successful businessmen, Bob enjoys running his own companies despite the long hours and demanding schedules. But whenever he wants to unwind from the pressures of the job, he never has very far to go. "People come here every summer, just to relax," says Bob, "but we get to live here all year long."



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Bob and Pat Clout

North Bay

Most transplanted southern Ontario residents end up in Northern Ontario because of their love for the outdoors. Once they settle in, however, they find out that the indoors are OK too.

After 35 years in St. Catharines, Bob Clout asked his employer, Bell Canada, for a transfer to North Bay. He used to spend so much time driving to the area for hunting and fishing that he thought it would make more sense to live here. Now, 15 years later, he still likes to talk about the joys of the Northern Ontario wilderness, but his eyes really sparkle when the conversation turns to theatre.

The image Northern Ontario had of being a vast wasteland as far as theatre goes is gone, Clout says, "and the reason for that is the Sudbury Theatre Centre. Sudbury has really added another dimension to Canadian theatre in general. A reputation spreads quickly. It's what is known as the 'miracle of Sudbury', actually. The Sudbury Theatre Centre shouldn't be there

with that population base, but it is indeed."

With a beautiful new building in the heart of the city, play runs have been increased from eight nights up to 21, "and they're still sold out all the time. There's been a lot of spinoff from there to Sauli St. Marie and North Bay. A lot of people from North Bay go to Sudbury to see professional theatre and then they start going to the theatre here."

With the Gateway Theatre Guild, Nipissing University and high school productions, plus a dining lounge which puts on three plays a year "there's a fair amount of theatre in town," Clout says. Clout has done four professional shows in Sudbury, acting in three and directing *A Man For All Seasons*. In North Bay, he has directed 15 plays in the past 15 years and acted in another 15. He plans to take an early retirement from Bell and go into theatre full-time, doing television commercials, movies, radio plays, and live theatre. He already has an agent and expects most of his work will be in Toronto. "But I have no

intention of leaving North Bay whatsoever," he says. If I get sick of driving (it's a four-hour trip) I'll fly, or take the Northlander (a train) or the Hostess (bus)."

When you visit Clout's home you can see why he doesn't want to leave. He's right in the city of North Bay but his picture window looks out over beautiful Lake Nipissing, and his front yard runs into a sandy beach. Swimming and canoeing are at his doorstep, and he says "I can sit for a couple of hours just looking at the waves."

His three children are all on their own now and he and his wife Pat enjoy a life that involves a mixture of theatre, sports and the outdoors. Both avid ballplayers when they were younger—Bob had professional tryouts with the Brooklyn Dodgers, Philadelphia Phillies and St. Louis Cardinals—they follow the Toronto Blue Jays closely, attending about 15 games a season and even going down to spring training a few times.

The family also shares a love of the outdoors, with Bob and his two sons winning a few long distance canoe races and enjoying canoe trips to various spots, including their favourite, Algonquin Provincial Park.



Bob Clout, left, hammering it up in Sudbury Theatre Centre production

"A lot of the beauty here is North Bay itself and this lake but Algonquin Park is really special."

"It takes us an hour to get there, whereas it takes seven hours from St. Catharines. We always see animals there, never less than five or six moose, sometimes 15, and they'd be standing right in the middle of the creek. You come around the corner in your canoe and there's a

moose 10 feet away. The first couple you see, you stop in an awful hurry, but then you realize they don't really care about you." Clout has also tried winter camping three times, and says if you have the proper sleeping bag, 30 degrees below zero is no problem.

He also enjoys partridge hunting in the area "not so much for the game but to trip

around the bush. It's a good life."

Clout admits the Niagara Peninsula, where he grew up, is a pretty area too, "but there is a charm up here. I like the trees and rocks... The fishing there wasn't bad when I was a kid but it's one massive town now, and the pollution is something else. What's the use of catching a 30-pound salmon if you can't eat it?"

Riley and Yvonne Moynes

Thunder Bay

By now, the ski slopes around Thunder Bay have become hiking trails, and skiers have put away their equipment for another year. Most say it was a good one, because it started in mid-November, and both the snow and the weather were ideal throughout much of it. Some are even sorry to see it end, and the Moynes family are among them.

Riley, Yvonne, Chris and Peter have lived in Thunder Bay since Riley changed jobs two years ago. In Cobourg, he had been an Area Superintendent with the Northernumberland and Newcastle Board of Education. In February 1982, he became Director of the Lakehead Board. The move brought the family 1,000 miles northwest of where they'd been living, and changed their lifestyle.

According to Riley, the whole family feels that the change has been exciting, and one that has been well worth making.

"Never living being much farther north than Huntsville," he says, "it was very much a leap of faith. However, we had the opportunity to come up and look at the place, and were surprised at the amenities available in Thunder Bay, which aren't to be had in some smaller towns."

According to Dr. Moynes, the new opportunities for family recreation that they've found in Thunder



Riley and son Peter: a great sports town

Bay include downhill skiing, curling, a first class art gallery and a symphony orchestra. His two sons are deeply involved in minor hockey, basketball, baseball, soccer and wrestling, and because of the local facilities, they're now beginning to try ski jumping--something that wasn't available to them down east.

"Our boys," he says, "were impressed with all the baseball diamonds in this

city, and the fact that, at their age, they could play hardball in a league. And we had never done any downhill skiing, largely because of the commitment necessary in time and money. There are certainly the facilities here, but most important, there's also the coaching."

Both Riley and Yvonne curl on Saturday mornings all winter, but Yvonne also gets in a few games during the

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A treasure chest of government incentives

By Marcel Lamarche

To the entrepreneur seeking assistance to improve his firm's competitive position, the funding required to expand an existing operation, or the financial assistance to get his new venture off to a start, good grantsmanship -- that ability to dip into the treasurehouse of grants, loans and loan guarantees available to Northern Ontario businesses -- can be a big plus.

The assorted programs sponsored by the federal and provincial governments have been put into place in order to provide Northern Ontario businesses with incentives which will allow them to compete on an equal footing with their counterparts in other areas of the country.

And so, to those who choose to become involved with the system, acronyms such as NORDA, RDIA, IRDP, LEDA, ILAP, TRIP, DRIE, FDBB, and NODC could soon become familiar signposts on the road to success.

RDIA

The Rural Development Incentives Act (RDIA) program is administered by the Department of Regional Industrial Expansion (DRIE). The RDIA package is scheduled to terminate on December 31, however applicants approaching DRIE for assistance under this program are being advised to file their application under its replacement -- the Industrial and Regional Development Program (IRDP). Under IRDP, 90 per cent of any grant will be flowing to the applicant 30 days after the business has entered into production. Under RDIA, the funds would flow more slowly and a

greater portion of the grant, 20 per cent, would actually be held back for up to three years.

LEAD

The federal government's Local Economic Development Assistance (LEDA) Program, announced in 1981, was established to allow urban core areas and smaller communities to accelerate their development. Designed to be a self-help program to operate in conjunction with business to expand economic activity and boost employment, LEDAs were designated for two Northern Ontario communities -- Kirkland Lake and Fort Frances. It has since undergone some changes and the program is now known as LEAD, the Local and Development Assistance Program.

Through LEAD, local development corporations are established as community-based non-profit organizations. They provide consulting services and technical assistance to help businesses establish new firms or expand existing ones. LEAD corporations may also advance funds to local projects which will generate new employment opportunities. LEAD corporations have up to \$220,000 a year available to invest in or loan to local businesses.

DRIE

The Department of Regional Industrial Expansion (DRIE) is a recent federal creation for the administration of grants and loan guarantees. DRIE replaces the former Department of Regional Economic Expansion (DREE) as well as the former

Department of Industry, Trade and Commerce (ITC). Through a series of indices, DRIE attempts to measure economic disparity and thus determine the level of assistance which will be provided in a given geographic area.

While DRIE's new tier system has proven a source of concern to Northerners, DRIE's new Sudbury manager, Ron Cantin, observed that by abandoning the DREE and ITC structures, the federal government agency has gained flexibility and is now "structured in such a way that we can provide assistance at any stage of development" including start-up, modernization or expansion, and research and development.

The maximum support available from DRIE varies according to geographic area, with higher levels of support being provided in more disadvantaged areas of the country. The levels are set by census areas according to a formula which takes into consideration the unemployment rate, per capita income, and the fiscal capacity of the province. The five per cent which fall among the most disadvantaged fall into Tier IV, the next 15 per cent are rated as Tier III, and the other 20 per cent are classified as Tier II. The remaining 50 per cent considered to be best off fall into Tier I. Where an anomaly occurs, a Special Tier I designation can be awarded to provide for increased levels of support.

There are no Tier IV areas in Northern Ontario. Sudbury, Nipissing and Temiskaming districts are designated as Tier III areas, and the District of Cochrane and the Regional Municipality of

Sudbury as Tier II. Algoma was first classified as a Tier I area, then as a Tier 1 Special, which entitles it to the levels of assistance available to Tier II areas. Thunder Bay has been designated as a Tier I area.

Levels of available funding vary according to the type of project you are embarking upon. Where a new project is being launched, in Tier III, DRIE may provide up to 50 per cent of the capital costs, and in Tier II, up to 35 per cent. This type of assistance is not available in Tier I areas. For projects involving modernization or expansion, assistance levels are 25 per cent of capital costs in Tier I, 35 per cent in Tier II, and 50 per cent in Tier III. Assistance for research and development is "very generous," said Cantin. Firms located in Tier I areas may qualify for funding of up to 50 per cent of capital costs, in Tier II areas, up to 60 per cent, and in Tier III, up to 75 per cent.

FDBB

The Federal Business Development Bank (FDBB) is a Crown Corporation established to assist with the establishment and expansion of commercial enterprises throughout the country. The FDBB provides a smorgasbord of management and financial services with particular attention being given to the needs of the small enterprise.

Forms of financial assistance available from the FDBB will include loans, loan guarantees, interim financing, equity financing, or combinations thereof. The financial assistance is available to businesses which can

demonstrate themselves to be viable propositions.

Management services available will include consulting, training and information programs.

The FDBB's "financial planning program" is a new service which offers to the entrepreneur the opportunity to maximize the support he gets from private sources.

For a \$10 fee, the entrepreneur is provided with a do-it-yourself kit which includes forms, documentation and all explanations required in order to draw up plans for the important aspects of the business, including cash flow and budgeting. These can then be used when approaching financial institutions to arrange financing.

For larger projects, a "packaging service" is offered by the FDBB through which FDBB personnel will undertake the financial planning exercise and prepare a package which the client may utilize when approaching lenders, or the FDBB personnel can act as intermediaries and present the package to the bank, acting as liaison officers and attempting to obtain the necessary financing on behalf of their client. A fee applies to this service also.

A new and increasingly popular service, according to FDBB Management Services Officer Pauline Rochefort is its "Financial Matchmaking Service."

"This is a referral service where people with money to invest are matched with business people needing money," she said. In some cases, "these may involve high risk situations, which is often why the banks won't consider extending them credit," she observed, but in all cases, "viable projects" are referred under the

financial matchmaking service.

OCRM

The Ontario Centre for Resource Machinery Technology (OCRM) is one of six technology centres established by the Ontario government under its \$210 million Board of Industrial Leadership and Development (BILD). OCRM, a Crown agency reporting to the Ministry of Industry and Trade, was created to assist Ontario manufacturers of mining and forestry equipment in order to expand their technology base.

According to OCRM president James Wade, "the objective is to enhance Ontario-based manufacturers of mining and forestry machinery in order to gain a greater share of both the domestic and the international markets."

The OCRM "will focus on encouraging the development of new products which have a proven market capability. The assistance goes in the form of venture capital...We will expect a return on our investment either in the form of royalties, shares or profits, or in the form of equity positions in the company."

The OCRM has been provided with \$16.4 million to invest over five years, by the end of which time it is expected to be 50 per cent self-supporting.

NODC

The Northern Ontario Development Corporation (NODC) is a provincial Crown corporation established to assist small business by way of term loans and loan guarantees. Its mandate covers provision of assistance to the manufacturing sector, firms servicing the manufacturing sector, and tourism.

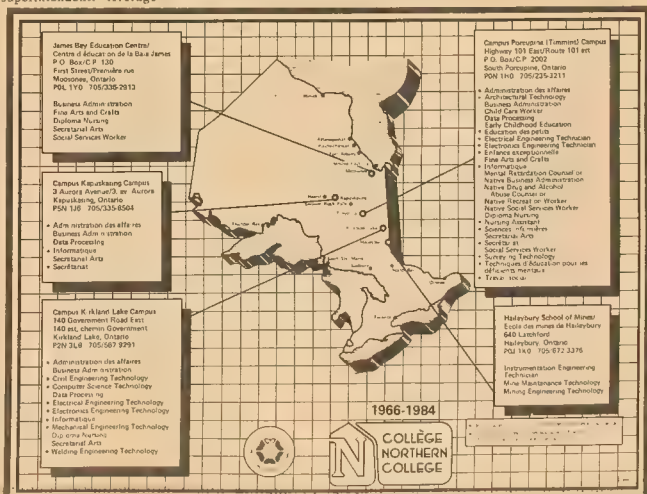
Small business is normally taken to mean a firm with fewer than 100 employees. Firms approaching the NODC for assistance are generally attempting either the start-up of a new venture or endeavouring to expand an existing operation. They are expected to seek financing through the private sector. The NODC will then attempt to provide the shortfall required to get a project under way. The assistance provided normally consists of loans and loan guarantees, however, in some cases, the NODC may provide incentives. For instance, if a project for which a term loan has been issued is found to be beneficial to the province in terms of generating employment, increasing exports, or reducing imports and the indebted firm finds that it cannot afford to meet the payments on that loan, the NODC may waive interest and principal payments for a period of up to two years.

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See Page 22



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Bay, Manitowadge and Timmins; Via Rail passenger service, C.P. Rail freight service; scheduled bus service to all points; Avis, Hertz, Tilden car rentals; local taxi service.

Major Industries: James River (Marathon) Pulp mill and the Hemlo gold field with major players Noranda Mines Ltd., Little Long Lac Gold Mines Ltd., and Teck Corporation.

Sites: Light industrial serviced park being contemplated. Estimated cost per acre \$10,000 to \$12,000. Mail rental space also being contemplated.

Contacts: G.W. Layne, Development Manager, Township of Marathon, Box 190,

Peninsula Building, Marathon, Ont. P0T 2E0. Tel: (807) 229-1340.

New Liskeard

Population: 5,300. Located 98 miles from Sudbury and 300 miles from Toronto.

Transportation: Served by Highway 11, Ontario Northland Railway, Ontario Northland Bus Lines and New Liskeard Municipal Airport.

Major Industries: The manufacture of lumber products, iron casting products, fibre-glass products, fabricated metal products, printing and publishing and dairy farming.

Sites: Approximately 25 unserviced acres are available for a negotiable price.

Contacts: Mr. C. Chatwin, Clerk-Administrator, P.O. Box 730, New Liskeard, Ontario, P0J 1P0 Tel: (807) 647-4367.

Nipigon

Population: 2,800. Located 112 km from Thunder Bay, 100 km from Schreiber, 160 km from Geraldton.

Transportation: Served by Trans-Canada Highways #11 and 17, CN and CP Railways, Thunder Bay Airport, Thunder Bay Harbour, and a deep water port at Red Rock, Ont.

Major Industries: MacMillan Bloddel plywood plant, Domtar Kraft Mill at Red Rock, and Ontario Hydro (three generating stations).

Sites: Average price per acre \$5,000 depending on location and services.

Contacts: Gerry Brennen, Reeve, c/o Economic Development Committee, Township of Nipigon, Box 160, Nipigon, Ont., P0T 2J0. Tel: (807) 887-2024

North Bay

Population: 51,000. Located 351 kilometres from Toronto, 576 kilometres from Montreal, 1,152 kilometres from Chicago and 1,130 kilometres from New York

Transportation: Served by Highways 11, 17 and 63, Canadian National Railway, Canadian Pacific Railway, Ontario Northland Railway and Jack Garland Airport.

Major Industries: Dupont Canada Inc., H.D. Lee Company, Canadian Longyear, Kenroc Tools Inc., Rahm Metals and Plastics, Nordfibre Ltd., and Patrick Harrison and Co. Ltd.

Sites: numerous municipal sites available for between \$5,000 and \$16,000 per acre and several private sites for between \$18,000 and \$25,000 per acre.

Contacts: Tom McGuire, Director of Economic Development or Stewart Kidd, Assistant Director, 200 McIntyre East, North Bay, Ontario, P1B 8H8. Tel: (705) 474-0400.

Rainy River

Population: 1,000. Located 160 miles from Winnipeg, 280 miles from Thunder Bay, and 60 miles from Fort Frances.

Transportation: Served by Highway #11, Canadian National Railway, and Grey Goose Busline twice daily to Winnipeg and Port Frances and once daily to Thunder Bay.

Major Industries: Canadian National Railway and "WeatherWear", a recently opened clothing factory.

Sites: Approximately four acres of serviced land.

Contacts: Mr. Irwin E. Johnston, Clerk-Treasurer, Box 486, Rainy River, Ont., P0W 1L0. Tel: (807) 852-3244.

Red Lake

Population: 2,200. Located 280 km from Kenora, 480 km from Winnipeg, and 580 km from Thunder Bay.

Transportation: Served by Highway #105 to the Trans-Canada Highway; daily scheduled flights from the Red Lake Airport at Cochenour, charter air services, a seaplane base, and truck firms.

Major Industries: Gold mining, Griffith Mine (iron) at Bruce Lake, forestry, and tourism.

Sites: Eight acres of unappraised land.

Contacts: Mrs. C.G. Achurch, Clerk Administrator, Box 308, Red Lake, Ont., P0V 2M0. Tel: (807) 727-2559 or Mr. O.E. Sharpe, Reeve, Box 308, Red Lake, Ont., P0V 2M0. Tel: (807) 727-2311.

Sault Ste. Marie

Population: 82,564. Located 427 miles from Toronto, 619 miles from Montreal and 954 miles from New York.

Transportation: Served by Highway 17 and connected by toll bridge to U.S. Interstate 75 South; Air Canada and Nordair; Algoma Central Railway, Canadian Pacific Railway and Soo Line Railway; Greyhound Buses and access to inland ports on the Great Lakes via St. Mary's River Locks.

Major Industries: Iron and steel, forestry products and tourism.

Sites: 28.5 acres fully serviced industrial land for \$20,500 per acre;

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20 light and medium industrially zoned acres; 387 acres are available in the Blue Heron Industrial Park and Algoma Central Railway has 580 acres available.

Contacts: Mr. Doug Leighton, Department of Economic Development, City of Sault Ste. Marie, Civic Centre, Box 580, Sault Ste. Marie, Ontario P6A 5N1. Tel: (705) 949-9111, Ext. 119.

Sioux Lookout

Population: 3,009. Located 96 kilometres from Dryden, 400 kilometres from Thunder Bay and 475 kilometres from Winnipeg.

Transportation: Served by Highways 72, 642 and 516, two regional airlines (Austin Airways and Bearskin Lake Airways), and the Canadian National Railway.

Major Industries: Forest products, government services, gold mining and Canadian National Railway.

Sites: 100 municipal acres and 200 C.N.R. acres available at a negotiable price. Also five fully-serviced municipal acres available at \$50 per foot frontage.

Contacts: P.E. Salem, Clerk-Treasurer or W. Carlbom, Councilor, Box 158, Sioux Lookout, Ontario P0V 2T0. Tel: (807) 737-2700.

Sudbury

Population: 91,102 serving a regional municipality of 157,235. Located 80 miles from North Bay, 180 miles from Sault Ste. Marie, 185 miles from Timmins and 240 miles from Toronto.

Transportation: Served by Highways 17, 69 and 144, Canadian National and Canadian Pacific Railways, Sudbury Airport (Air Canada, Voyageur and norOntair), Fisher Harbour and Little Current Harbour, Manitoulin Island.

Major Industries: Mining, smelting and refining of nickel and copper; automotive parts manufacturing; machine shops and metal fabricating and mining equipment manufacturing.

Sites: Airport Industrial Park has four acres to lease; Coniston Industrial Park has 50 acres to lease; Valley East Industrial Park has 130 acres available at \$15,000 per acre; Walden Industrial Park has 100 acres available at \$25,000 per acre; Albion Industrial Park has 30 acres to lease; Beaumont Sub-division has 38 acres to lease at \$20,000 per acre; CN Maley Drive Industrial Park has 15 acres at \$30,000 per acre and Radisson Industrial Park has 50 acres at \$15,000 per acre.

Contact: T.L. Hennessy, General Manager, Sudbury Regional Development Corporation, Civic Square, 200 Brady Street, Sudbury, Ontario. P3E SK3. Tel: (705) 673-4161.

Terrace Bay

Population: 2,588. Located 45 miles from Marathon, 120 miles from Thunder Bay and 300 miles from Sault Ste. Marie.

Transportation: Served by Highway 17, Terrace Bay municipal airport, Canadian Pacific Railway and Rossport Harbour.

Major Industries: Pulp mill operations.

Sites: Expansion of industrial park to include 14 light industrial lots.

Contacts: Mr. Larry Simons, Clerk-Administrator or Mr. David Speer, Reeve, Box 40, Township of Terrace Bay, Terrace Bay, Ontario P0T 2W0. Tel: (807) 825-3315.

Timmins

Population: 45,000. Located 360 km from North Bay, 298 km from Sudbury, and 689 km from Toronto.

Transportation: Ontario Northland Railway provides two trains daily to Toronto;

air service through Air Canada, norOntair, Austin, Bradley Air Services, and White River Airways, includes three flights daily to Toronto; Ontario Northland and Grey Coach bus service daily to Toronto; daily freight connections with Canadian National and Canadian Pacific railways via Foley and Chapleau; served by Trans-Canada Highway #11 and Highway #101 from the Quebec border.

Major Industries: gold mining, Mallette Lumber (division of Waferboard Corp. Ltd. and Kidd Creek Mine Ltd. (base metals).

Sites: 135 acres are available at a cost of \$20,240 per acre.

Contact: Peter Thalheimer, 1 Pine St. S., Timmins, Ont. P4N 2J9. Tel: (705) 264-5395 or Jim Reid, Manager, Timmins Economic Development Corporation, 133 Cedar St. S., Timmins, Ont., P4N 2G9. Tel: (705) 264-0811.

Thunder Bay

Population: 121,400 (Metro), 112,500 (City). Total district population 155,000. Located 715 km from Sault Ste. Marie, 1,015 km from Sudbury, 1,110 km from North Bay, 355 km from Dryden, and 490 km from Kenora.

Transportation: Served by Highway #11, 17 and 61, CN and CP Rail, International Airport (Air Canada, norOntair, Austin, norOntair, Bearskin), and the Port of Thunder Bay (Canada's largest Atlantic port).

Major Industries: Forestry, grain-handling, manufacturing.

Sites: 19 industrial areas with 1,576 hectares vacant. City-owned vacant properties total 537 hectares. Fully serviced vacant lots total 95 hectares. Average price per acre is \$37,500 on city-owned properties. 50 fully serviced lots are now available in Balmoral Industrial Park Phase III.

Contact: P.R. (Dick) Charbonneau, General Manager, Thunder Bay Economic Development Corporation, Suite 203, 620 Victoria Avenue East, Thunder Bay, Ont., P7C 1A9. Tel: (807) 623-4060.

Wawa

Population: 4,544. Situated 225 km south of Sault Ste. Marie, 480 km west of Thunder Bay and 340 km east of Timmins.

Transportation: Served by Trans Canada Hwy. 17 and

Highway 101; Algoma Central Railway connecting to C.N. Rail; airport served by norOntair, Greyhound and Ontario Northland buslines.

Major Industries: Algoma Ore Division (iron ore mining), tourism.

Sites: In the Tremblay Flats area, 160 acres of unserviced land, plus other smaller serviced industrial lots. Prices vary.

Contact: K.P. Zurby, C.A.O., Clerk, Township of Michipicoten, Box 500, Wawa, Ont. P0S 1K0. Tel: (705) 856-2244.

White River

Population: 1,100. Located 200 miles from Sault Ste. Marie and 243 miles from Thunder Bay.

Transportation: Served by Highways 17 and 631, Canadian Pacific Railway and Greyhound Bus Lines.

Major Industries: Sawmill and woods operations.

Sites: Industrial park has 10 lots available on Highway 17 (100 foot frontage by 200 foot deep).

Contact: Mrs. Marilyn Parent, Box 307, White River, Ontario P0M 3G0. Tel: (807) 822-2400.

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...Northern Ontario lifestyle has lots to offer

From Page 19

week. She had just tried the sport the last year they lived in Cobourg, and has now become addicted.

The Moynes family is one that carefully plans its recreation so as to involve the family as much as possible. As a result, northern winters bring them skiing and curling, while summers allow them to play golf and tennis, and do considerable jogging. They note that much more is

available to them year round, but there's only so much they can reasonably do. Hence, although they've managed the odd symphony concert, they've yet to sample any of Thunder Bay's excellent live theatre productions.

Dr. and Mrs. Moynes still have a cottage on Georgian Bay, where they spend some time in summer, and Riley attempts to build into his travel schedule visits to relatives in Toronto. They like Thunder Bay very much,

but no one ever moves here without having strong ties to some other place.

"Cobourg is 70 miles east of Toronto," says Riley, "which meant that we were far enough away to make it a special trip whenever we went to the city. Yet, oddly enough, we now make greater use of downtown Toronto than we ever did. We plan our activities very carefully before we go."

Besides their recreational activities, Riley and Yvonne

have also begun to get involved in community work. Yvonne is a member of the Ladies' Auxiliary at McKellar Hospital, and spends one morning each week working with chronic care patients. Riley belongs to the Port Arthur Rotary Club, and serves on the Board of Directors of Junior Achievement.

Like most non-northerners, Riley and Yvonne had to do a lot of thinking before they accepted the position in

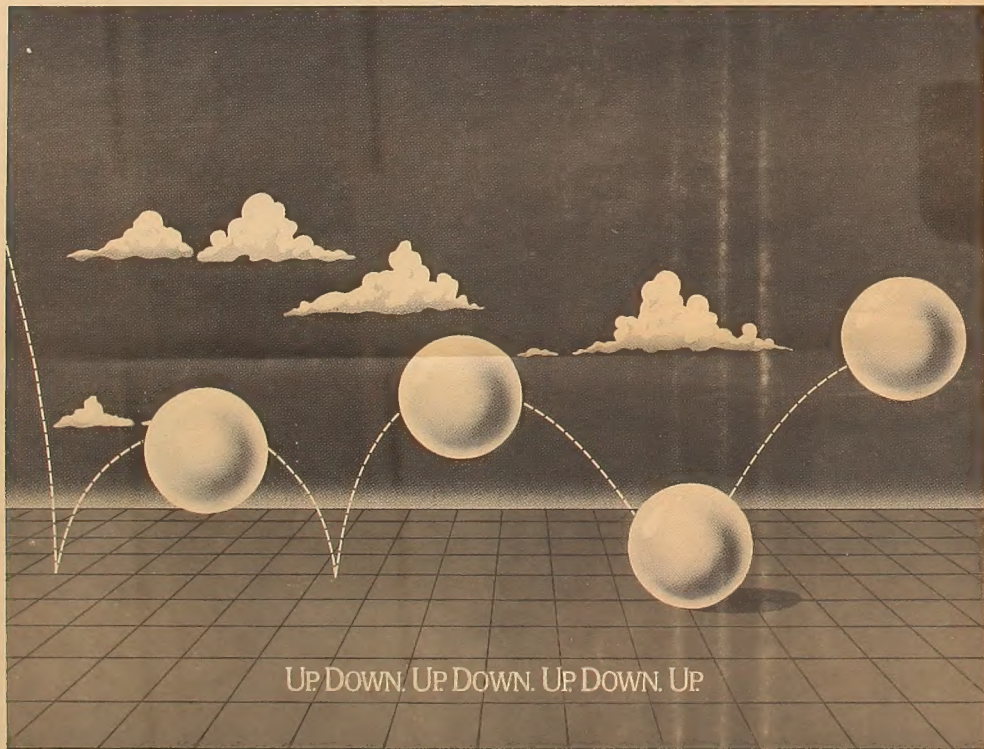
Thunder Bay. However, there also had to be a considerable attraction, and according to Riley, that was the reputation which the Lakehead Board of Education enjoys throughout Ontario.

"This board," he says, "is an excellent one, having taken several initiatives that have spread throughout the province, so the challenge was top notch."

In coming north, the Moynes family had to move a long way from 'home', and

live in an area that tends to be thought of in terms of its isolation. Yet, they're all very happy that they came.

"We've met some very nice people," says Riley. "They've all been very warm and friendly to us. In that sense, there's much more to northern hospitality than just talk."



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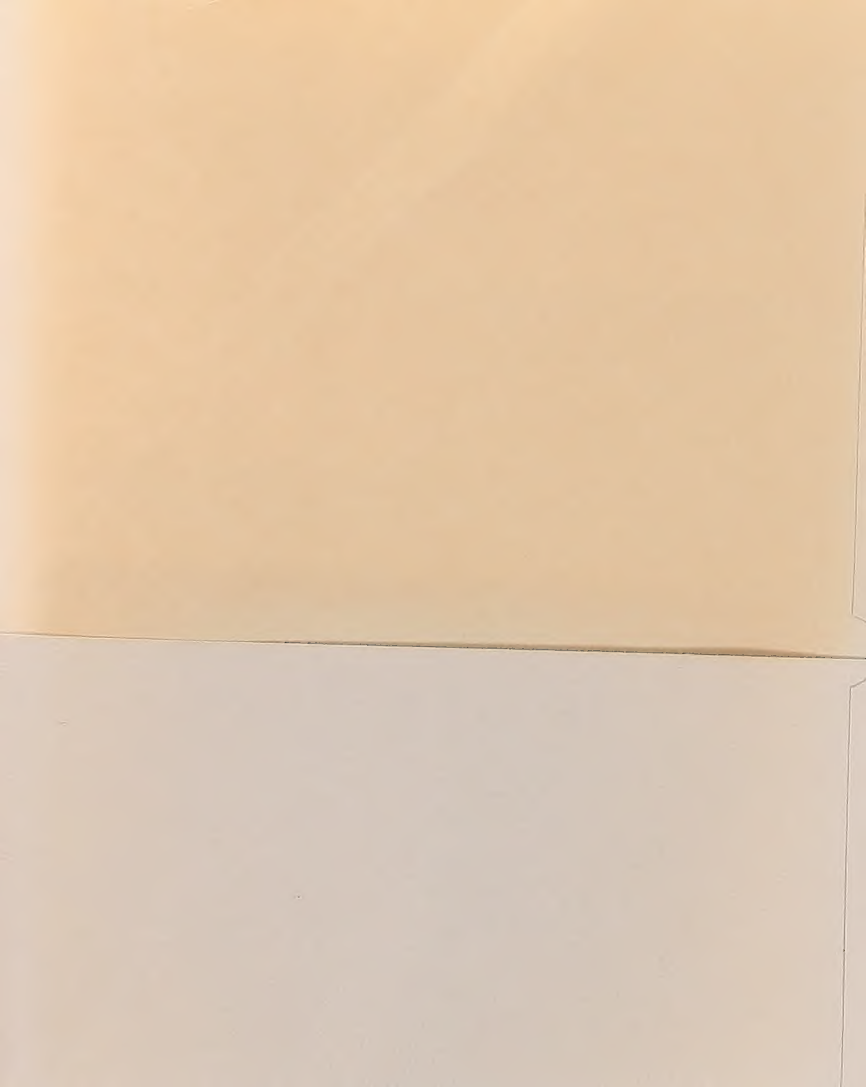
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